

PLAQUEMINES PARISH GOVERNMENT

Pointe a la Hache, Louisiana

Primary Government Financial Statements

As of and for the Year Ended December 31, 2012
with Supplementary Information Schedules

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 2012
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Plaquemines Parish Council
 Plaquemines Parish
 Pointe a la Hache, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plaquemines Parish Government (hereinafter "Parish"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parish's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to previously do not include financial data for the Parish's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units are not reasonably determinable.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to previously do not present fairly the financial position of the aggregate discretely presented component units of the Parish, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Parish, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedules and a schedule of funding progress for the Parish's other post employment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements of the Parish's primary government, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements of the Parish's primary government in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements of the Parish's primary government, and other knowledge we obtained during our audit of the basic financial statements of the Parish's primary government. We do not express an opinion or provide any assurance on management's discussion and analysis on pages 6-15, the budgetary comparison schedules on pages 70-71 or the schedule of funding progress for the Parish's other post employment benefits on page 72 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Parish's primary government. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the combined and combining fund and fund type financial statements, and the schedule of compensation paid to council members and parish president are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Parish's primary government. The schedule of expenditures of federal awards is the responsibility of the Parish's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements of the Parish's primary government. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements of the Parish's primary government and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the financial statements of the Parish's primary government or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards on pages 96–98 is fairly stated, in all material respects, in relation to the basic financial statements of the Parish's primary government taken as a whole. The combined and combining fund and fund type financial statements on pages 74-93, and the schedule of compensation paid to council members and parish president on page 95 have not been subjected to the auditing procedures applied in the audit of the basic financial statements of the Parish's primary government and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013 on our consideration of the Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 27, 2013

PLAQUEMINES PARISH GOVERNMENT

Pointe a la Hache, Louisiana

Management's Discussion and Analysis

Unaudited

The discussion and analysis of Plaquemines Parish Government's financial performance provides an overview of the Parish's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the Parish's financial performance as a whole. The Parish's financial performance is discussed and analyzed within the context of the accompanying basic financial statements and disclosures following this section.

Financial Highlights

- The Parish's assets exceeded its liabilities by \$546,722,860.
- Total Parish's net position is comprised of the following:
 - Capital assets, net of related debt, of \$361,861,031 include property and equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
 - Restricted net position of \$110,294,996 have constraints imposed from outside the Parish by bond covenants.
 - Unrestricted net position of \$74,566,833 represent the portion available to maintain the Parish's obligations to citizens and creditors.
- The governmental funds total ending fund balance of \$200,704,068 showed an increase of \$81,042,195 over the ending balance for 2011.
 - The General Fund ending fund balance of \$77,254,135 showed a decrease of (\$5,530,202) over the ending balance for 2011.
- The enterprise funds total ending net position of \$111,632,562 showed an increase of 10,645,239 from the ending balance for 2011.
 - The Port, Harbor and Terminal Fund total ending net position of \$12,790,831 showed an increase of \$1,233,037 over the ending balance for 2011.
 - The Water and Sewer Fund total ending net position of \$67,409,743 showed an increase of 3,713,872 from the ending balance for 2011.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the Parish as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The Parish's basic financial statements are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements.

In addition to the basic financial statements, this report also contains other supplementary information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities (pages 17-18) report information about the overall financial status of the Parish as a whole and present a longer-term view of the Parish's finances. These statements include all assets and liabilities, current and long-term. The statements eliminate or reclassify activities between funds, and use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish's net position and changes in this position. You can think of the Parish's net position (the difference between assets and liabilities) as one way to measure the Parish's financial health, or financial position. Over time, increases or decreases in the Parish's net position is one indicator of whether its financial health is improving or deteriorating. You will also need to consider other nonfinancial factors to assess the overall health of the Parish, such as changes in the property tax base and the condition of the roads, levees, drainage system, water and sewer systems, etc.

In the Statement of Net Position and the Statement of Activities, we divide the Parish into two kinds of activities:

- **Governmental activities** - Most of the Parish's basic services are reported here and are funded primarily by taxes, oil and gas royalties, intergovernmental revenues, including federal and state grants, and other shared revenue. Some of the most significant Parish services reported as governmental activities are the following:
 - General government
 - Public safety
 - Public works
 - Health and welfare
 - Culture and recreation
 - Economic development and assistance
 - Transportation
- **Business-type activities** - Activities that are intended to recover all or most of their costs through user fees and charges. The following Parish services are reported as business-type activities:
 - Water and sewer systems
 - Port, harbor and terminal operations
 - Boat harbor, shipyard and boat dock operations

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Parish uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, the fund financial statements (pages 20-27) focus on the Parish's most significant funds rather than the Parish as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining schedules in the "Other Supplementary Information" section of this report. The Parish uses three kinds of funds with different account approaches as follows:

- **Governmental funds** - Most of the Parish's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Parish's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements. The Parish's major governmental funds are the following:
 - General Fund
 - Road Maintenance Fund
 - Public Health Fund
 - Solid Waste Fund
 - Capital Improvements Fund
 - Series 2012A Coastal Restorations
 - Fire Fighting Fund
 - FEMA Management
- **Proprietary funds** - When the Parish provides services, which are intended to recover all or most of their costs through user fees and charges, they are generally reported in proprietary funds. The only type of proprietary fund used by the parish is the enterprise fund. Enterprise funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Parish's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. The Parish's major enterprise funds are the following:
 - Water and Sewer Fund
 - Port, Harbor and Terminal Fund
 - Boat Harbors and Shipyards Fund
- **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the Parish. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the Parish's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The fiduciary funds used by the parish are the permanent fund and the agency fund.

Notes to Basic Financial Statements

The accompanying notes to the financial statements (pages 29-68) provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Parish's budget presentations. Budgetary comparison schedules (pages 70-71) are included as "Required Supplementary Information" for the General Fund and the major special revenue funds.

As discussed, the Parish reports major funds in the basic financial statements. Combining and individual schedules for non-major and major funds are presented in the "Other Supplementary Information" section of this report.

Government-Wide Financial Analysis

The Parish's net position at year-end is \$546,722,860. The following table provides a summary of the Parish's net position:

Net Position								
	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Assets:								
Current assets	\$237,600,249	\$151,109,346	\$10,674,531	\$8,284,552	\$248,274,780	\$159,393,898	34%	26%
Capital assets and other non-current assets	382,657,893	363,828,808	108,323,136	99,732,890	490,981,029	463,561,698	66%	74%
Total Assets	620,258,142	514,938,154	118,997,667	108,017,442	739,255,809	622,955,596	100%	100%
Liabilities:								
Current liabilities	31,603,636	23,161,591	5,962,756	5,856,646	37,566,392	29,018,237	20%	29%
Non-current liabilities	153,564,208	71,448,690	1,402,349	1,173,473	154,966,557	72,622,163	80%	71%
Total Liabilities	185,167,844	94,610,281	7,365,105	7,030,119	192,532,949	101,640,400	100%	100%
Net Position								
Investment in capital assets, net of debt	251,464,168	315,575,079	110,396,863	101,806,617	361,861,031	417,381,696	66%	80%
Restricted	110,294,996	30,604,467	—	—	110,294,996	30,604,467	20%	6%
Unrestricted (Deficit)	73,331,134	74,148,327	1,235,699	(819,294)	74,566,833	73,329,033	14%	14%
Total Net Position	\$435,090,298	\$420,327,873	\$111,632,562	\$100,987,323	\$546,722,860	\$521,315,196	100%	100%

The Parish reported positive balances in net position for both governmental and business-type activities. Net position, increased \$14,762,425 for governmental activities and increased \$10,645,239 for business-type activities. The Parish's overall financial position improved during fiscal year 2012.

Approximately 66% of the Parish's total net position is included in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure). Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Approximately 58% of the governmental activities' net position are invested in capital assets. The Parish uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. However, with business-type activities, the Parish has invested all of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis
 Unaudited

An additional portion of the Parish's net position, approximately 20%, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, approximately 14%, may be used to meet the Parish's ongoing obligations to citizens and creditors.

The business-type activities reported an unrestricted net position of \$1,235,699.

The following table provides a summary of the Parish's changes in net position:

Changes in Net Assets								
	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues:								
Program:								
Charges for services	\$3,053,670	\$3,401,826	\$8,048,390	\$8,417,973	\$11,102,060	\$11,819,799	7.3%	8.4%
Operating grants	34,700,635	22,485,285	124,114	---	34,824,749	22,485,285	22.8%	16.0%
Capital grants	11,992,888	7,637,951	13,683,815	18,933,263	25,676,703	26,571,214	16.9%	18.9%
General:								
Property taxes	11,044,824	9,996,449	3,962,270	3,586,154	15,007,094	13,582,603	9.8%	9.7%
Sales taxes	13,414,811	15,457,390	---	---	13,414,811	15,457,390	8.8%	11.0%
Unrestricted grants	25,487,321	25,709,366	29,412	25,895	25,516,733	25,735,261	16.7%	18.3%
Licenses and fees	779,469	842,377	---	---	779,469	842,377	0.5%	0.6%
Parish oil and gas royalties	21,037,252	22,561,408	---	---	21,037,252	22,561,408	13.8%	16.1%
Mineral, surface and other leases	462,070	603,869	92,518	94,203	554,588	698,072	0.4%	0.5%
Investment income	2,642,723	90,132	51,962	5,003	2,694,685	95,135	1.8%	0.1%
Other	1,680,196	523,426	77,589	66,861	1,757,785	590,287	1.2%	0.4%
Total Revenues	126,295,859	109,309,479	26,070,070	31,129,352	152,365,929	140,438,831	100.0%	100.0%
Program Expenses:								
General government	22,235,487	24,310,084	---	---	22,235,487	24,310,084	17.6%	22.3%
Public safety	8,298,168	6,480,711	---	---	8,298,168	6,480,711	6.5%	6.0%
Public works	56,763,066	42,285,863	---	---	56,763,066	42,285,863	44.8%	39.0%
Health and welfare	7,024,822	6,441,182	---	---	7,024,822	6,441,182	5.5%	5.9%
Culture and recreation	3,206,983	3,124,504	---	---	3,206,983	3,124,504	2.5%	2.9%
Economic development and assistance	1,440,277	930,672	---	---	1,440,277	930,672	1.1%	0.9%
Transportation	4,824,982	4,728,970	---	---	4,824,982	4,728,970	3.8%	4.4%
Interest on long-term debt	3,332,919	2,247,069	---	---	3,332,919	2,247,069	2.6%	2.1%
Water and Sewer	---	---	14,176,564	11,519,798	14,176,564	11,519,798	11.2%	10.6%
Port, Harbor and Terminal	---	---	4,224,514	4,979,430	4,224,514	4,979,430	3.3%	4.6%
Boat Harbors and Shipyards	---	---	1,430,483	1,415,523	1,430,483	1,415,523	1.1%	1.3%
Total Program Expenses	107,126,704	90,549,055	19,831,561	17,914,751	126,958,265	108,463,806	100.0%	100.0%
Excess	19,169,155	18,760,424	6,238,509	13,214,601	25,407,664	31,975,025		
Transfers	(4,406,730)	(2,142,918)	4,406,730	2,142,918	---	---		
Change In Net Position	14,762,425	16,617,506	10,645,239	15,357,519	25,407,664	31,975,025		
Beginning Net Position	420,327,873	403,710,367	100,987,323	85,629,804	521,315,196	489,340,171		
Ending Net Position	\$435,090,298	\$420,327,873	\$111,632,562	\$100,987,323	\$546,722,860	\$521,315,196		

Governmental Activities

The Parish is heavily reliant on property taxes, sales taxes, intergovernmental revenue and oil and gas royalties to support governmental operations. Of the total governmental revenues, property taxes provided 8.7%, sales taxes provided 10.6%, intergovernmental revenue provided 57.2%, oil and gas royalties provided 16.7%, and fees and other revenues provided 6.8%.

The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues (the financial burden that was placed on the Parish's taxpayer by each of these functions). The total cost of services and the net cost of services for governmental activities are as follows:

Governmental Activities				
Function	Costs of Services			
	Total		Net (Deficit)	
	2012	2011	2012	2011
General government	\$22,235,487	\$24,310,084	(\$19,816,272)	(\$22,576,564)
Public safety	8,298,168	6,480,711	(5,996,991)	(2,786,903)
Public works	56,763,066	42,285,863	(13,010,814)	(15,779,643)
Health and welfare	7,024,822	6,441,182	(5,919,306)	(5,096,181)
Culture and recreation	3,206,983	3,124,504	(3,154,755)	(3,037,571)
Economic development and assistance	1,440,277	930,672	(1,440,277)	(930,672)
Transportation	4,824,982	4,728,970	(4,708,177)	(4,569,390)
Interest on long-term debt	3,332,919	2,247,069	(3,332,919)	(2,247,069)
Total	\$107,126,704	\$90,549,055	(\$57,379,511)	(\$57,023,993)

Business-Type Activities

Of the total business-type revenues, user charges provided 30.9%, operating grants contributions provided .5%, capital grants and contributions provided 52.4%, property taxes provided 15.2%, and other revenues provided 1%.

The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues (the financial burden that was placed on the Parish's taxpayer by each of these functions). The total cost of services and the net cost of services for business-type activities are as follows:

Business-Type Activities				
Function	Costs of Services			
	Total		Net	
	2012	2011	2012	2011
Water and Sewer	\$14,176,564	\$11,519,798	(\$4,770,470)	\$2,436,006
Port, Harbor and Terminal	4,224,514	4,979,430	1,583,760	3,185,546
Boat Harbors and Shipyards	1,430,483	1,415,523	5,211,468	3,814,933
Total	\$19,831,561	\$17,914,751	\$2,024,758	\$9,436,485

Financial Analysis of Parish Funds

Governmental Funds

The focus of the Parish's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Parish's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Parish's net resources available for spending at the end of the year.

As of December 31, 2012, the Parish's governmental funds reported a combined ending fund balance of \$200,704,068, an increase of \$81,042,195 in comparison with the 2011 ending fund balance. The unassigned fund balance is available for spending at the Parish's discretion; the remainder of the fund balance is not available for new spending because of varying limitations on the specific purpose for which the amounts can be spent.

The breakdown of governmental fund balance is as follows:

Governmental Fund Balance	
Nonspendable	\$2,901,964
Restricted	128,767,144
Committed	70,213,932
Assigned	923,681
Unassigned	(2,102,653)

The General Fund ending fund balance for 2012 of \$77,254,135 showed a decrease of (\$5,530,202) over the ending balance for 2011.

Enterprise Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

The business-type activities of the Parish reported a total operating loss (excludes nonoperating revenues and expenditures, capital contributions and transfers) of (\$10,709,994) during 2012, compared to an operating loss of (\$7,642,262) for 2011, an increase of \$3,067,732 over the prior year.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis
 Unaudited

The business-type activities reported operating income (losses) compared to the prior year as follows:

	Water and Sewer		Port, Harbor and Terminal		Boat Harbors & Shipyards	
	2012	2011	2012	2011	2012	2011
Operating Revenues						
Charges for services	\$3,450,951	\$3,863,220	\$4,121,535	\$4,123,108	\$304,938	\$224,647
Other	45,492	82,967	1,649,156	2,397,169	92,989	94,203
Total Operating Revenues	3,496,443	3,946,187	5,770,691	6,520,277	397,927	318,850
Operating Expenses						
Personal services	514,303	489,328	2,249,327	1,901,895	518,394	446,428
Contractual services, supplies, materials and other	10,815,034	8,235,408	1,844,929	3,054,875	336,804	343,269
Depreciation	2,885,411	2,862,263	538,396	383,412	672,457	710,698
Total Operating Expenses	14,214,748	11,586,999	4,632,652	5,340,182	1,527,655	1,500,395
Operating Income (loss)	(\$10,718,305)	(\$7,640,812)	\$1,138,039	\$1,180,095	(\$1,129,728)	(\$1,181,545)

The enterprise funds' operating revenue decreased by (\$1,120,253) from the prior year; totaling \$9,665,061 in fiscal year 2012 and \$10,785,314 in fiscal year 2011. These operating revenue decreases are attributable to decreases in revenue generating activity.

The enterprise funds' operating expenses increased by \$1,947,479 from the prior year; totaling \$20,375,055 in fiscal year 2012 and \$18,427,576 in fiscal year 2011. These operating expenses increase was substantially due to increases in contractual service agreements, increased maintenance costs and general inflation.

Budgetary Highlights

In accordance with the Parish Charter and state statute, the Parish Council adopts the annual operating and capital improvement budget for the Parish by the end of the prior year.

Over the course of the year, the Parish Council revises the Parish's budget numerous times. One category includes amendments and supplemental appropriations that were necessary shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in December 2011). Another category involves various amendments based on changing needs and additional information to prevent budget overruns and better meet the needs of the Parish.

Even with the budget adjustments, the General Fund experienced significant budget variances. The expenditure budget had a positive budget variance of \$16,267,454 (expenditures were below the final budget amounts). The most significant positive expenditure variances occurred in the public works function. The revenue budget had a positive budget variance of \$6,327,230 (actual revenues were above the final budget amounts). The most significant positive revenue variances occurred in the use of money and property.

The FEMA Management Fund experienced significant budget variances. The expenditure budget had a positive budget variance of \$124,411,800 in the public works function (expenditures were below the final budget amounts). The revenue budget had a negative budget variance of (\$121,605,420) in the federal grants category (actual revenues were below the final budget amounts). The FEMA Management Fund final budget is on all FEMA projects and the actual is only on projects that were in process during 2012.

Capital Assets and Debt Administration

Capital Assets

The Parish's investment in capital assets for governmental and business-type activities as of December 31, 2012, was \$490,981,029 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

The change in this net investment was a 5.2% increase for governmental activities and a 8.4% increase for business-type activities. The overall increase was 5.9% for the Parish as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The Parish implemented the general provisions of GASB Statement No. 34 in a previous year and implemented the retroactive infrastructure provisions for the year ended December 31, 2008.

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land	\$13,474,494	\$13,081,082	\$52,000	\$52,000	\$13,526,494	\$13,133,082
Construction in progress	171,910,658	148,489,747	62,541,602	51,308,013	234,452,260	199,797,760
Total non-depreciable assets	185,385,152	161,570,829	62,593,602	51,360,013	247,978,754	212,930,842
Depreciable assets:						
Buildings and improvements	126,882,545	127,081,803	29,424,126	29,421,461	156,306,671	156,503,264
Improvements other than buildings	47,596,529	46,453,239	67,390,508	65,938,082	114,987,037	112,391,321
Machinery & equipment	39,949,857	38,584,941	9,449,887	9,666,729	49,399,744	48,251,670
Infrastructure	198,758,837	198,777,020	—	—	198,758,837	198,777,020
Total depreciable assets	413,187,768	410,897,003	106,264,521	105,026,272	519,452,289	515,923,275
Less accumulated depreciation	(217,988,754)	(210,712,751)	(58,461,260)	(54,579,668)	(276,450,014)	(265,292,419)
Book value-depreciable assets	195,199,014	200,184,252	47,803,261	50,446,604	243,002,275	250,630,856
Percentage depreciated	53%	51%	55%	52%	53%	51%
Book value-all assets	\$380,584,166	\$361,755,081	\$110,396,863	\$101,806,617	\$490,981,029	\$463,561,698

Debt Administration

At year-end, the Parish had total debt outstanding of \$138,020,000 for 2012 and \$55,080,000 for 2011. During the year, the Parish retired \$2,045,000 of the outstanding bonded debt.

In addition to bonded debt, the Parish's long-term obligations include capital leases, and litigation and claims. See Note 14 for additional information on the Parish's long-term obligations.

Economic Conditions Affecting the Parish

The primary revenue streams for the Parish are sales taxes, ad valorem taxes, oil and gas royalties, and parish royalty funds from the state. The Parish's revenues are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy. Additionally, fluctuations in oil and gas price and production have a significant impact of the Parish's revenues.

The Parish has taken measures to minimize the impact from fluctuations in the oil and gas market through establishment of a fund balance designation for bond indebtedness. The fund accumulates the oil and gas revenue, over established price levels, to be set aside and used for payment of bonded debt in years where oil and gas revenue projections are low. The fund has a cap of \$10,000,000; the balance at the end of 2012 in the fund balance designation for bond indebtedness is \$10,000,000.

Contacting the Parish's Financial Management

This financial report is designed to provide a general overview of the Parish's finances, comply with finance-related laws and regulations, and demonstrate the Parish's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Parish Finance Manager's office at 8056 Highway 23, Suite 300, Belle Chasse, Louisiana 70037.

Government-Wide Financial Statements

Plaquemines Parish Government
Pointe a la Hache, Louisiana

Statement A

Statement of Net Position
December 31, 2012

	Governmental Activities	Business- Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$140,543,356	\$4,812,095	\$145,355,451
Investments	5,364,158	825,732	6,189,890
Receivables (net of allowances for uncollectibles)	89,441,392	6,371,674	95,813,066
Internal balances	1,423,105	(1,423,105)	---
Prepaid items	828,238	88,135	916,373
Total Current Assets	237,600,249	10,674,531	248,274,780
Non-Current Assets:			
Internal balances	2,073,727	(2,073,727)	---
Capital assets, net of accumulated depreciation	195,199,014	47,803,261	243,002,275
Capital assets not being depreciated	185,385,152	62,593,602	247,978,754
Total Non-Current Assets	382,657,893	108,323,136	490,981,029
Total Assets	\$620,258,142	\$118,997,667	\$739,255,809
Liabilities:			
Current Liabilities:			
Cash overdraft	\$---	\$3,724,143	\$3,724,143
Accounts, salaries and other payables	18,440,529	1,592,942	20,033,471
Bonds payable	3,960,000	---	3,960,000
Capital leases payable	33,157	3,634	36,791
Deferred revenues	4,478,879	---	4,478,879
Accrued interest payable	3,227,863	---	3,227,863
Compensated absences payable	1,061,088	129,193	1,190,281
Deposits due others	47,795	---	47,795
Other	354,325	512,844	867,169
Total Current Liabilities	31,603,636	5,962,756	37,566,392
Non-Current Liabilities:			
Litigation and other contingencies	3,402,419	---	3,402,419
Capital leases payable	42,523	7,092	49,615
Notes payable-long term	8,900,000	---	8,900,000
Bonds payable-long term	125,160,000	---	125,160,000
Other post-employment benefits payable	16,059,266	1,395,257	17,454,523
Total Non-Current Liabilities	153,564,208	1,402,349	154,966,557
Total Liabilities	185,167,844	7,365,105	192,532,949
Net Position:			
Invested in capital assets, net of related debt	251,464,168	110,396,863	361,861,031
Restricted	110,294,996	---	110,294,996
Unrestricted (Deficit)	73,331,134	1,235,699	74,566,833
Total Net Position	435,090,298	111,632,562	546,722,860
Total Liabilities and Net Position	\$620,258,142	\$118,997,667	\$739,255,809

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Statement B

**Statement of Activities
For the Year Ended December 31, 2012**

Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government:							
Legislative	\$1,796,457	\$---	\$---	\$---	(\$1,796,457)	\$---	(\$1,796,457)
Judicial	5,302,301	313,174	1,138,381	---	(3,850,746)	---	(3,850,746)
Executive	3,722,293	---	---	---	(3,722,293)	---	(3,722,293)
Elections	147,881	---	---	---	(147,881)	---	(147,881)
Finance and administrative	5,888,513	332,383	---	---	(5,556,130)	---	(5,556,130)
Other	5,378,042	628,225	7,052	---	(4,742,765)	---	(4,742,765)
Public safety	8,298,168	266,699	2,034,478	---	(5,996,991)	---	(5,996,991)
Public works	56,763,066	999,541	30,759,823	11,992,888	(13,010,814)	---	(13,010,814)
Health and welfare	7,024,822	364,242	741,274	---	(5,919,306)	---	(5,919,306)
Culture and recreation	3,206,983	32,601	19,627	---	(3,154,755)	---	(3,154,755)
Economic development and assistance	1,440,277	---	---	---	(1,440,277)	---	(1,440,277)
Transportation	4,824,982	116,805	---	---	(4,708,177)	---	(4,708,177)
Interest on long-term debt	3,332,919	---	---	---	(3,332,919)	---	(3,332,919)
Total Governmental Activities	107,126,704	3,053,670	34,700,635	11,992,888	(57,379,511)	---	(57,379,511)
Business-Type Activities:							
Water and Sewer	14,176,564	3,448,065	8312	5,949,717	---	(4,770,470)	(4,770,470)
Port, Harbor and Terminal	4,224,514	4,295,388	109,674	1,403,212	---	1,583,760	1,583,760
Boat Harbors and Shipyards	1,430,483	304,937	6,128	6,330,886	---	5,211,468	5,211,468
Total Business-Type Activities	19,831,561	8,048,390	124,114	13,683,815	---	2,024,758	2,024,758
Total	\$126,958,265	\$11,102,060	\$34,824,749	\$25,676,703	(57,379,511)	2,024,758	(55,354,753)
General Revenues:							
Taxes:							
Property taxes					11,044,824	3,962,270	15,007,094
Sales and use taxes					13,414,811	---	13,414,811
Grants and Contributions not Restricted:							
Federal					34,820	3,394	38,214
State					25,452,501	26,018	25,478,519
Other:							
Occupational licenses					663,270	---	663,270
Parish oil royalties					19,990,102	---	19,990,102
Parish gas royalties					1,047,150	---	1,047,150
Mineral and surface leases					350,088	---	350,088
Property leases					111,982	92,518	204,500
Investment income					2,642,723	51,962	2,694,685
Cablevision fee					116,199	---	116,199
Proceeds from sale of assets					645,449	9,450	654,899
Settlements					887,144	---	887,144
Miscellaneous					147,603	19,761	167,364
Penalties					---	48,378	48,378
Transfers					(4,406,730)	4,406,730	---
Total General Revenues and Transfers					72,141,936	8,620,481	80,762,417
Change in Net Position					14,762,425	10,645,239	25,407,664
Net Position-Beginning					420,327,873	100,987,323	521,315,196
Net Position-Ending					\$435,090,298	\$111,632,562	\$546,722,860

The accompanying notes are an integral part of this statement.

Fund Financial Statements

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement C

**Balance Sheet
December 31, 2012**

Assets:

General Fund	Road Maintenance	Public Health	Solid Waste	Fire Fighting	FEMA Management	Series 2012A Coastal Restorations	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$23,860,570	\$55,784	\$45,717	\$588,318	\$9,941,049	\$ ---	\$59,673,574	\$ ---	\$140,543,356
Investments	875,524	3,682	---	20,390	93,618	---	---	4,370,944	5,364,158
Receivables (net of allowances for uncollectibles)	18,037,704	1,648,853	1,155,910	4,047,256	2,020,444	56,686,360	---	5,844,865	89,441,392
Due from other funds	40,379,704	---	---	---	---	---	---	83,279	40,462,983
Prepaid items	828,238	---	---	---	---	---	---	---	828,238
Interfund loan	2,073,727	---	---	---	---	---	---	---	2,073,727
Total Assets	\$86,055,467	\$1,708,319	\$1,201,627	\$4,655,964	\$12,055,111	\$56,686,360	\$---	\$56,677,432	\$278,713,854

Liabilities:

Accounts, salaries and other payables	\$3,823,501	\$119,811	\$83,925	\$219,068	\$243,459	\$12,039,841	\$---	\$---	\$1,910,924	\$18,440,529
Deferred revenues	4,054,282	1,412,529	935,466	3,723,075	106,093	4,478,879	---	2,558,873	1,796,973	19,066,170
Compensated absences payable	728,080	75,487	137,752	76,301	529	---	---	---	42,939	1,061,088
Deposits due others	46,915	---	880	---	---	---	---	---	---	47,795
Due to other funds	21,398	---	---	---	---	34,815,672	37,477	---	4,165,331	39,039,878
Other	127,156	44,333	29,360	116,851	7,266	---	---	---	29,360	354,326
Total Liabilities	8,801,332	1,652,160	1,187,383	4,135,295	357,347	51,334,392	37,477	2,558,873	7,945,527	78,009,786

Fund Balances:

Nonspendable	2,901,964	---	---	---	---	---	---	---	---	2,901,964
Restricted	2,429,060	---	---	520,669	11,236,248	5,351,968	59,636,097	---	49,593,102	128,767,144
Committed	70,213,932	---	---	---	---	---	---	---	---	70,213,932
Assigned	391,452	56,159	14,244	---	461,516	---	---	---	310	923,681
Unassigned (Deficit)	1,317,727	---	---	---	---	---	(2,558,873)	(861,507)	(2,102,653)	(2,102,653)
Total Fund Balances (Deficit)	77,254,135	56,159	14,244	520,669	11,697,764	5,351,968	(2,558,873)	48,731,905	200,704,068	

Total Liabilities and Fund Balances

\$86,055,467	\$1,708,319	\$1,201,627	\$4,655,964	\$12,055,111	\$56,686,360	\$59,673,574	\$---	\$56,677,432	\$278,713,854
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The accompanying notes are an integral part of this statement.

(Continued)

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement C

**Balance Sheet
December 31, 2012**

**Reconciliation of the Governmental Funds Balance Sheets to the
Government-Wide Financial Statement of Net Position**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances of Governmental Funds		<u>\$200,704,068</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		380,584,166
Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(3,227,863)	
Litigation and other contingencies	(3,402,419)	
Capital leases	(75,680)	
Notes payable	(8,900,000)	
Bonds payable	(129,120,000)	
Other post-employment benefits payable	<u>(16,059,266)</u>	
		(160,785,228)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		<u>14,587,292</u>
Net Position of Governmental Activities		<u><u>\$435,090,298</u></u>

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement D

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012**

Revenues

Taxes:

Ad valorem	\$3,490,858	\$1,440,201	\$953,825	\$3,796,108	\$---	\$---	\$---	\$---	\$953,825	\$10,634,817
Sales and use	4,937,709	---	---	---	8,477,102	---	---	---	4,005,150	17,419,961
Other taxes, penalties, interest, etc.	116,199	---	---	---	---	---	---	---	---	116,199
Licenses and permits	1,205,267	---	---	---	---	---	---	---	---	1,205,267
Intergovernmental revenues:										
Federal grants	2,523,130	59,336	217,110	110,189	1,380,209	28,542,380	---	4,191,127	7,302,147	44,325,628
State funds:										
Parish transportation funds	---	---	---	---	---	---	---	---	270,018	270,018
State revenue sharing	23,100	9,534	6,312	25,119	---	---	---	---	6,312	70,377
Parish royalty fund	20,050,412	---	---	---	---	---	---	---	0	20,050,412
Other	2,358,947	182,340	3,532	---	---	---	---	1,003,685	39,699	3,588,203
Fees, charges and commissions for services	579,675	---	364,242	707,013	984	---	---	---	279,229	1,931,143
Fines and forfeitures	---	---	---	---	---	---	---	---	307,824	307,824
Use of money and property	21,566,584	1,253	694	4,667	8,981	---	2,092	---	33,656	21,617,927
Other	4,621,002	---	10,924	10,490	81,679	---	---	32,573	3,442	4,760,110

Total Revenues

Expenditures

Current:

General government	20,123,116	---	---	---	---	---	---	---	149,866	20,272,982
Public safety	1,522,582	---	---	---	8,322,236	---	---	---	---	9,844,818
Public works	8,970,086	3,531,341	---	4,309,954	---	34,232,159	2,192,703	10,714,403	13,154,423	77,105,069
Health and welfare	1,356,653	---	5,561,025	---	---	---	---	---	779,138	7,696,816
Culture and recreation	2,304,835	---	---	---	---	---	---	---	1,027,807	3,332,642
Economic development and assistance	1,448,981	---	---	---	---	---	---	---	---	1,448,981
Transportation	4,507,476	---	---	---	---	---	---	---	---	4,507,476
Debt service	---	---	---	---	---	---	---	---	4,205,150	4,205,150

Total Expenditures

**Excess (Deficiency) of Revenues
Over Expenditures**

Other Financing Sources (Uses)

Transfers in	211,238	1,846,361	3,997,860	---	---	10,426,378	---	5,631,143	663,352	22,776,332
Transfers out	(27,583,402)	---	---	---	---	---	---	---	(211,238)	(27,794,640)
Proceeds from sale of assets	578,874	48,475	450	---	17,650	---	---	---	---	645,449
Capital leases	23,934	---	---	---	---	---	---	---	---	23,934
Proceeds from long-term bonds	---	---	---	---	---	---	61,826,708	---	25,680,460	87,507,168

Net Other Financing Sources (Uses)

Net Change in Fund Balance

Fund Balances (Deficit) at Beginning of Year

Fund Balances (Deficit) at End of Year

General Fund	Road Maintenance	Public Health	Solid Waste	Fire Fighting	FEMA Management	Series 2012A Coastal Restorations	Capital Improvements	Other Governmental Funds	Total Governmental Funds
61,472,883	1,692,664	1,556,639	4,653,586	9,948,955	28,542,380	2,092	5,227,385	13,201,302	126,297,886
21,239,154	(1,838,677)	(4,004,386)	343,632	1,626,719	(5,689,779)	(2,190,611)	(5,487,018)	(6,115,082)	(2,116,048)
211,238	1,846,361	3,997,860	---	---	10,426,378	---	5,631,143	663,352	22,776,332
(27,583,402)	---	---	---	---	---	---	---	(211,238)	(27,794,640)
578,874	48,475	450	---	17,650	---	---	---	---	645,449
23,934	---	---	---	---	---	---	---	---	23,934
---	---	---	---	---	---	61,826,708	---	25,680,460	87,507,168
(26,769,356)	1,894,836	3,998,310	---	17,650	10,426,378	61,826,708	5,631,143	26,132,574	83,158,243
(5,530,202)	56,159	(6,076)	343,632	1,644,369	4,736,599	59,636,097	144,125	20,017,492	81,042,195
82,784,337	---	20,320	177,037	10,053,395	615,369	---	(2,702,998)	28,714,413	119,661,873
\$77,254,135	\$56,159	\$14,244	\$520,669	\$11,697,764	\$5,351,968	\$59,636,097	(\$2,558,873)	\$48,731,905	\$200,704,068

The accompanying notes are an integral part of this statement.

(Continued)

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement D

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012**

**P
in Fund Balances of Governmental Funds to the Statement of Activities**

Amounts reported for governmental activities in the Statement of Activities are different because

Net Change in Fund Balances of Governmental Funds		<u>\$81,042,195</u>
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		18,829,085
Revenues in the Statement of Activities that do not provide current resources are not reported as revenues in the funds.		99,985
Proceeds from debt issues (e.g., bonds, leases, notes) are an other financing source in the funds, but a debt issue increases long-term liabilities in the Statement of Net Position.		(85,008,934)
Some expense reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Litigation and other contingencies	1,281,434	
Retirement of tax collection	(12,503)	
Other post-employment benefits	<u>(2,382,796)</u>	
		(1,113,865)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position.		
Capital leases	41,726	
Bond principal	<u>2,045,000</u>	
		2,086,726
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding obligations in the Statement of Activities.		<u>(1,172,767)</u>
Change in Net Position of Governmental Activities		<u><u>\$14,762,425</u></u>

The accompanying notes are an integral part of this statement.

Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds

Statement E

Statement of Net Position
December 31, 2012

	Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$---	\$4,715,586	\$96,509	\$4,812,095
Investments	---	825,732	---	825,732
Receivables (net of allowances for uncollectibles)	4,618,831	1,625,971	126,872	6,371,674
Prepaid items	1,952	86,183	---	88,135
Total Current Assets	4,620,783	7,253,472	223,381	12,097,636
Non-Current Assets:				
Capital assets, net of accumulated depreciation	24,569,834	7,681,266	15,552,161	47,803,261
Capital assets not being depreciated	46,317,703	247,821	16,028,078	62,593,602
Total Non-Current Assets	70,887,537	7,929,087	31,580,239	110,396,863
Total Assets	\$75,508,320	\$15,182,559	\$31,803,620	\$122,494,499
Liabilities:				
Current Liabilities:				
Cash overdraft	\$3,724,143	\$---	\$---	\$3,724,143
Accounts, salaries and other payables	1,470,254	116,798	5,890	1,592,942
Capital leases payable	1,635	1,999	---	3,634
Compensated absences payable	10,729	102,787	15,677	129,193
Due to other funds	---	1,363,105	60,000	1,423,105
Other	512,844	---	---	512,844
Total Current Liabilities	5,719,605	1,584,689	81,567	7,385,861
Non-Current Liabilities:				
Capital leases payable	---	7,092	---	7,092
Interfund loan	2,073,727	---	---	2,073,727
Other post-employment benefits payable	305,245	799,947	290,065	1,395,257
Total Non-Current Liabilities	2,378,972	807,039	290,065	3,476,076
Total Liabilities	8,098,577	2,391,728	371,632	10,861,937
Net Position:				
Invested in capital assets, net of related debt	70,887,537	7,929,087	31,580,239	110,396,863
Unrestricted (Deficit)	(3,477,794)	4,861,744	(148,251)	1,235,699
Total Net Position	67,409,743	12,790,831	31,431,988	111,632,562
Total Liabilities and Net Position	\$75,508,320	\$15,182,559	\$31,803,620	\$122,494,499

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds**

Statement F

**Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2012**

	Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
Operating Revenues				
Charges for services	\$3,450,951	\$4,121,535	\$304,938	\$7,877,424
Other	45,492	1,649,156	92,989	1,787,637
Total Operating Revenues	3,496,443	5,770,691	397,927	9,665,061
Operating Expenses				
Personal services	514,303	2,249,327	518,394	3,282,024
Contractual services, supplies, materials and other	10,815,034	1,844,929	336,804	12,996,767
Depreciation	2,885,411	538,396	672,457	4,096,264
Total Operating Expenses	14,214,748	4,632,652	1,527,655	20,375,055
Operating Income (Loss)	(10,718,305)	1,138,039	(1,129,728)	(10,709,994)
Non-Operating Revenues (Expenses)				
Interest revenue	2,781	49,181	---	51,962
Interest expense	(284)	(803)	---	(1,087)
Ad valorem taxes	3,988,288	---	---	3,988,288
Other	(44,118)	(10,723)	9,000	(45,841)
Net Non-Operating Revenues	3,946,667	37,655	9,000	3,993,322
Net Income (Loss) Before Contributions and Transfers	(6,771,638)	1,175,694	(1,120,728)	(6,716,672)
Capital Contributions	5,949,717	57,343	6,336,543	12,343,603
Transfers In	4,535,793	---	482,515	5,018,308
Changes In Net Position	3,713,872	1,233,037	5,698,330	10,645,239
Net Position-Beginning	63,695,871	11,557,794	25,733,658	100,987,323
Net Position-Ending	\$67,409,743	\$12,790,831	\$31,431,988	\$111,632,562

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds**

Statement G

**Statement of Cash Flows
For the Year Ended December 31, 2012**

Cash Flows From Operating Activities:

Cash received from customers
Cash payments for goods and services
Cash payments to employees

Net Cash Provided (Used) by Operating Activities

Cash Flows From Non-Capital Financing Activities:

Ad valorem tax collections
Other non-operating revenues
Operating transfers in
Proceeds (payments) on short-term loan from other funds

Net Cash Provided (Used) by Non-Capital Financing Activities

Cash Flows From Capital and Related Financing Activities:

Acquisition/construction of capital assets
Cash proceeds from sale of assets
Interest paid

Net Cash Used by Capital and Related Financing Activities

Cash Flows From Investing Activities:

Interest received on time deposits
Payments for investments

Net Cash Provided by Investing Activities

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
Depreciation
Change in assets and liabilities:
Increase in receivables and other current assets
Increase in accounts payable
Increase/(decrease) in other liabilities

Net Cash Provided (Used) by Operating Activities

Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
\$3,074,423	\$5,595,717	\$389,656	\$9,059,796
(10,700,466)	(1,829,539)	(332,969)	(12,862,974)
(470,290)	(2,082,546)	(481,529)	(3,034,365)
(8,096,333)	1,683,632	(424,842)	(6,837,543)
3,988,288	---	---	3,988,288
11,707	---	9,000	20,707
4,535,793	---	482,515	5,018,308
---	(1,679,157)	---	(1,679,157)
8,535,788	(1,679,157)	491,515	7,348,146
(319,989)	(89,915)	---	(409,904)
450	---	---	450
(284)	(803)	---	(1,087)
(442,236)	(609,613)	---	(1,051,849)
2,781	49,181	---	51,962
---	(1,196)	---	(1,196)
2,781	47,985	---	50,766
---	(557,153)	66,673	(490,480)
---	5,272,739	29,836	5,302,575
\$---	\$4,715,586	\$96,509	\$4,812,095
(\$10,718,305)	\$1,138,039	(\$1,129,728)	(\$10,709,994)
2,885,411	538,396	672,457	4,096,264
(421,425)	(174,974)	(8,271)	(604,670)
1,446,362	14,482	3,835	1,464,679
(1,288,376)	167,689	36,865	(1,083,822)
(\$8,096,333)	\$1,683,632	(\$424,842)	(\$6,837,543)

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Fiduciary Funds**

Statement H

**Statement of Fiduciary Net Position
December 31, 2012**

Assets	
Cash and cash equivalents	\$2,743,320
Investments (fair value)	
Local government investment pool	79,862
Total Assets	\$2,823,182
Liabilities	
Deposits due others	\$1,516,949
Other	1,299,103
Total Liabilities	2,816,052
Net Position	
Held in trust for pension benefits and other purposes	7,130
Total Liabilities and Net Position	\$2,823,182

The accompanying notes are an integral part of this statement.

Notes To Basic Financial Statements

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
Notes to Basic Financial Statements
December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The Plaquemines Parish Government (the Parish) is the governing authority for Plaquemines Parish and is a political subdivision of the State of Louisiana established in 1807. For administrative and reporting purposes, the Parish is known as the Plaquemines Parish Government. The Parish operates under the President-Council form of government as established by the Charter for Local Self-Government for the Parish of Plaquemines, implemented in 1987. The parish council consists of nine members who are elected to represent each of the nine districts. The parish president, elected by the voters of the Parish, is the chief executive officer of the Parish and is responsible for carrying out the policies adopted by the Parish and for administration of all parish departments, offices and agencies. The parish council and the parish president serve four-year terms, which expire on December 31, 2014.

Plaquemines Parish occupies 2,429 square miles with a population of approximately 23,000. The Parish maintains approximately 148 miles of roads, of which 49 miles are paved, 67 miles are asphalt, and 32 miles are shelled. The Parish has a total of approximately 702 employees. The Parish seat is located in Pointe a la Hache.

Louisiana Revised Statute 33:1236 gives the Parish various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of those are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, various state and federal grants, service charges and royalties from oil and gas.

The Parish's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

B. REPORTING ENTITY

As the governing authority of the Parish, for reporting purposes, the Plaquemines Parish Government is the reporting entity for Plaquemines Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Plaquemines Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent upon the parish government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Parish has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used	Presentation
Clerk of Court	June 30	2	Discretely
Tax Assessor	December 31	2	Discretely
District Attorney	December 31	2	Discretely
Medical Center	December 31	1a, 1b	Discretely
Economic Development Board	December 31	1a, 1b	Discretely
Port, Harbor and Terminal District	December 31	2, 3	Blended

The Parish has chosen to issue financial statements of the primary government only; therefore, only the blended component units are included in the accompanying financial statements.

Organizations for which the Parish maintains accounting records are considered part of the primary government and include the Twenty-Fifth Judicial District Criminal Court Fund.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but, rather, are intended to reflect only the financial statements of the primary government.

Considered in the determination of component units of the reporting entity were the Plaquemines Parish Sheriff, School Board, and Indigent Defender Board. It was determined that these governmental entities are not component units of the Plaquemines Parish Government reporting entity because they have separately elected governing bodies, are legally separate and are fiscally independent of the Plaquemines Parish Government.

C. BASIC FINANCIAL STATEMENT-- GOVERNMENT-WIDE STATEMENTS

The Parish's basic financial statements include both government-wide (reporting the Parish as a whole) and fund financial statements (reporting the Parish's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Parish's public safety, parks, recreation, libraries, public works and general administrative services are classified as governmental activities. The Parish's water and sewer, port and boat harbor services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Parish's net position are reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Parish first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Parish's functions and business-type activities (public safety, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, oil and gas royalties, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public works, public safety, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, oil and gas royalties, etc.).

This government-wide focus is more on the sustainability of the Parish as an entity and the change in the Parish's net position resulting from the current year's activities.

D. BASIC FINANCIAL STATEMENTS--FUND FINANCIAL STATEMENTS

1. Fund Types

The financial transactions of the Parish are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Parish:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Parish:

- 1) General fund is the general operating fund of the Parish. It is used to account for all financial resources, except those required to be accounted for in another fund.
- 2) Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- 3) Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- 4) Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Parish:

- 1) Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

c. Fiduciary Funds:

- 1) Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Parish programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Parish's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

2. Major and Nonmajor Funds

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Parish may determine as a major fund any fund whose classification as a nonmajor fund may be misleading to the reader.

The funds classified as major are as follows:

a. Major Funds:

1) General Fund

2) Special Revenue Funds:

- (a) Road Maintenance Fund-accounts for the expenditures in connection with the maintenance and upkeep of the Parish's road system. Revenues of this fund are derived principally from ad valorem taxes and a state mowing and litter collection agreement as well as transfers from the General Fund.
- (b) Public Health Fund-accounts for the expenditures in connection with the health and welfare of parish residents. Revenues of this fund are derived principally through ad valorem taxes and fees collected from Ambulance Services and Animal Control as well as transfers from the General Fund.
- (c) Solid Waste Fund-accounts for the operation of a parish-wide system for the collection and disposal of solid waste. Revenues of this fund are derived principally from ad valorem taxes and sanitation fees.
- (d) Firefighting Fund-accounts for the costs of operating paid fire departments within the Parish. Revenues of this fund are derived principally from dedicated sales tax collections.
- (e) FEMA Management Fund-accounts for Federal Emergency Management Agency funds related to disaster recovery efforts.

3) Capital Projects Fund:

- (a) Capital Improvements Fund-accounts for the purchase or construction of various major capital facilities or equipment, which are being financed from the General Fund.
- (b) Series 2012A Coastal Restorations-accounts for the planning, acquisition, construction and improvement of coastal restoration projects and related infrastructure within the Parish.

4) Proprietary Funds:

- (a) Water and Sewer Fund-accounts for the operations of the water and sewer systems of the Parish.
- (b) Port, Harbor and Terminal District Fund-accounts for the operations of the Parish's Port, Harbor and Terminal District.
- (c) Boat Harbors and Shipyards Fund-accounts for the maintenance and upkeep of the Parish's boat harbors, boatways, shipyards and oyster docks.

3. Measurement Focus:

Measurement focus refers to the identification of which transactions are recognized in the accounts and recorded within the various financial statements. It relates to the inflow and outflow of resources.

a. Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Parish are included on the statement of net position.

b. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the Parish finances and meets the cash flow needs of its enterprise activities.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Generally, "available" means collectible within the current period or within 60 days after year-end; with the exception of FEMA disaster funds, which are considered available when obligated project worksheet funds are expended. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations (charges for services, etc.). Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Parish's policy to use restricted resources first, and then unrestricted resources as they are needed.

F. BUDGET PRACTICES

The proposed budget for the Parish for the year ended December 31, 2012, was completed and made available for public inspection on October 27, 2011. The operating and capital improvement original budgets were subsequently formally adopted by ordinance 11-346, ordinance 11-347 and ordinance 11-349, dated December 14, 2011.

The Capital Projects Funds' budgets were prepared on a project basis and, therefore, are not presented in the financial report.

Formal budgetary integration is employed as a management control device for the General, Special Revenue, Capital Projects and Enterprise Funds. Budget comparison is used to control the operations of the Parish.

With the exception of a few departments, which are controlled at the department or division level, the Parish exercises budgetary control at the department/function level. Unexpended operating appropriations, with the exception of encumbered expenditure appropriations, lapse at year-end and must be reappropriated in the next year's budget to be expended.

The budget comparison schedule included in the accompanying supplementary information contains the original adopted budget and all subsequent amendments for the major governmental funds.

Amendments to the operating budget must be adopted by ordinance of the parish council.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Parish may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S.33:2955 and the Parish's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law and the Parish's investment policy allow the Parish to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

I. PREPAID ITEMS

The Parish establishes prepaid expenditures for liability insurance, payments in advance, travel advances and postage. Payments made for such items that will benefit periods beyond December 31, 2012 are recorded as prepaid items.

J. RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset.

K. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land and construction in progress, is provided on the straight-line basis over the following estimated useful lives:

Description	Years Depreciated	Reporting Threshold
Land	N/A	\$1
Land Improvements	20-30	25,000
Buildings	25-40	50,000
Buildings Improvements	7-30	50,000
Infrastructure	20-50	250,000
Machinery and Equipment	5-15	5,000

L. COMPENSATED ABSENCES

The Parish has the following policy relating to annual leave and sick leave:

1. Annual Leave

Depending upon length of service, full-time employees of the Parish earned annual leave for each bi-weekly pay period worked for a total of 13 to 26 days per year. The annual leave may be accumulated, up to 30 days per employee at year-end, and is recorded as a current liability as of December 31, 2012.

2. Sick Leave

Full-time employees of the Parish earned and accumulated sick leave for each bi-weekly pay period worked equivalent to one-half the hours of a regular day with pay. Sick leave does not vest and employees are not compensated for unused sick leave upon termination.

The entire compensated absences liability is reported on the government-wide financial statements and fund financial statements.

M. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. Loans and capital leases are recognized as a liability on the fund financial statements when due.

N. NET POSITION

Net position represents the difference between assets and deferred inflows of resources and liabilities and deferred outflows of resources. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Parish or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. FUND EQUITY

In the fund financial statements, governmental funds report limitations on the purpose for which resources of a fund can be used. The various components of fund balance are designed to indicate the extent to which the government is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The components of fund balance are:

- **Nonspendable**-(inherently nonspendable) cannot be spent because of their form or they are contractually or legally required to be maintained intact.
- **Restricted**-(externally enforceable) limitations imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- **Committed**-(self-imposed) limitation imposed at highest level of decision making that requires formal action at the same level to remove. Commitments may be established modified or rescinded only through ordinances or resolutions approved by the parish council.
- **Assigned**-(intended use) limitation on intended use established by the parish council or official designated for that purpose by the parish council.
- **Unassigned**-residual net resources, not included in previous categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Parish considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Parish considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless council members have provided otherwise in its commitment or assignment actions.

P. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Q. INTERFUND ACTIVITY IS REPORTED AS EITHER LOANS, SERVICES PROVIDED, REIMBURSEMENTS OR TRANSFERS

Interfund receivables/payables are used to account for amounts owed to a particular fund by another fund. This includes long-term and short-term obligations, such as expenditures that are the legal responsibility of one fund paid by another fund, with the understanding that the latter will be reimbursed by the former fund. Interfund receivables and payables are subject to elimination upon consolidation.

Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

R. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2012:

Parish-Wide Taxes	Authorized Millage	Levied Millage	Expiration Date
Parish (alimony tax)	3.66	3.66	
Road Maintenance	1.51	1.51	12/31/2024
Water	2.00	2.00	12/31/2024
Library	1.00	1.00	12/31/2024
Pollution Control	2.00	2.00	12/31/2024
Public Health	1.00	1.00	12/31/2024
Waste Disposal	2.98	2.98	12/31/2024
Incineration	1.00	1.00	12/31/2024
Total	15.15	15.15	

The following are the principal taxpayers for the Parish:

Taxpayer	Type of Business	Assessed Value	Percentage
Phillips 66	Oil/Gas	\$102,912,153	10.52%
ChevronTexaco/Chevron Chemical/Chevron USA	Oil/Gas & Chemical	74,162,973	7.58%
Kirby Inland Marine, LP	Public Utility	54,184,530	5.54%
AEP River	Public Utility	35,725,530	3.65%
Ingram Barge Co.	Public Utility	36,766,410	3.76%
Hilcorp Energy	Oil/Gas	29,789,326	3.05%
US United Bulk	Comm/Industry	27,701,095	2.83%
Helis Oil & Gas	Oil/Gas	26,847,321	2.75%
Energy Partners, LTD	Oil/Gas	25,077,554	2.56%
Apache Corp	Oil/Gas	25,021,595	2.56%
Total		\$438,188,487	44.80%

3. CASH AND CASH EQUIVALENTS

At December 31, 2012, the Parish has cash equivalents (book balances) totaling \$144,367,498 as follows:

Demand Deposit and Money Market Accounts	\$124,649,274
Restricted Cash	19,718,224
Total	<u>\$144,367,498</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Restricted cash includes balances for bond indebtedness and escrow accounts.

At December 31, 2012, the Parish has \$145,577,305 in deposits (collected bank balances). These deposits are secured from risk by \$16,029,127 of federal deposit insurance and \$160,555,581 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1).

The custodial credit risk is the risk that in the event of a bank failure, the Parish's deposits may not be returned to it. The Parish's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Government's name. Accordingly, the Parish had no custodial credit risk related to its deposits at December 31, 2012.

The Parish employees may participate in a deferred compensation plan (Note 10). At December 31, 2012, the plan administrator held cash and cash equivalents for plan participants valued at \$7,130.

The Water and Sewer Fund cash overdraft in the amount of \$3,724,143 is expected to be addressed through increased user charges.

4. INVESTMENTS

At December 31, 2012, the Parish has investments totaling \$6,269,752 as follows:

Investment Type	Amortized Cost/ Fair Value
Unrestricted:	
Louisiana Asset Management Pool	\$5,009,696
Restricted:	
Louisiana Asset Management Pool	1,260,056
Total Investments	<u>\$6,269,752</u>

In accordance with the Parish's Investment Policy, investment officers of the Parish are authorized to invest idle monies in the following:

- U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the foregoing;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
- Local government investment pools, either state administered or through joint powers statutes and other intergovernmental agreement legislation;
- Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency

Investments with a maturity value of less than 90 days are classified on the Statement of Net Position as "Cash and Cash Equivalents" totaling \$144,367,498. All other investments totaling \$6,269,752 are classified on the Statement of Net Position as "Investments" and are presented at amortized cost/fair value.

As a means of limiting its exposure to fair value losses arising from interest rates (interest rate risk), the Parish's investment policy states that the Parish will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Monitoring the interest rates at several different financial institutions on a weekly basis to ensure that the proper changes in investments can be made in a timely manner;
- Structuring the investments so that they mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell the investments prior to maturity;
- Investing funds in primarily shorter-term securities

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Parish minimizes this risk by:

- Limiting investments to the safest types of securities and only those securities which are of the highest quality;
- Insuring that financial institutions doing business with Plaquemines Parish Government comply with prevailing provisions of State Statutes and meet all Plaquemines Parish Government established criteria;
- Maintaining adequate collateralization and diversifying maturities

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For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Parish's investment policy requires that all investments be fully collateralized and held by an independent third party with clearly marked evidence of ownership (safekeeping receipt) supplied to the Parish and maintained. Accordingly, the Parish has no custodial credit risk related to its investments at December 31, 2012.

Investments held by Plaquemines Parish Government consist of \$6,269,752 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.138, the investment in LAMP is not exposed to custodial risk because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in A Investment grade (A-1/P-1) commercial paper of domestic United States corporations. Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity at LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

5. RECEIVABLES

At December 31, 2012, the Parish has net receivables totaling \$97,924,224 as follows:

Class of Receivable	Governmental Funds			Business-Type Funds	Total
	General	Special Revenue	Capital Projects	Enterprise	
Taxes:					
Ad Valorem	\$3,578,927	\$7,324,203	\$ ---	\$3,911,402	\$14,814,532
Sales	1,010,149	810,439	---	---	1,820,588
Other	23,805	48,721	---	26,016	98,542
Intergovernmental:					
Federal	3,036,769	58,465,039	4,589,443	738,264	66,829,515
State	2,965,427	140,636	---	250,187	3,356,250
Local	557,164	64,380	---	---	621,544
Accounts	---	100,296	---	1,651,029	1,751,325
Payroll	4,574,682	---	---	300	4,574,982
Other	7,475,926	141,233	---	39,094	7,656,253
Gross Receivables	23,222,849	67,094,947	4,589,443	6,616,292	101,523,531
Less-Allowances for Uncollectibles	(5,185,145)	(280,702)	---	(244,618)	(5,710,465)
Net Receivables	\$18,037,704	\$66,814,245	\$4,589,443	\$6,371,674	\$95,813,066

6. PENSION PLAN

Parochial Employees' Retirement System

Plan Description:

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The System is governed by the provisions of Louisiana Revised Statutes 11:1901 through 11:2015, specifically, and other general laws of the State of Louisiana. All eligible employees of the Parish are members of Plan A.

Substantially all permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service according to retirement eligibility provisions. For those employed prior to 01/01/2007 benefits are available upon retirement from service according to retirement eligibility provisions as follows: (1) 30 years of service at any age; (2) 10 years of service at age 60; (3) 25 years of service at age 55; or, (4) 7 years of service at age 65. For those employed on or after 01/01/2007, benefits are available upon retirement from service according to retirement eligibility provisions as follows: (1) 30 years of service at age 55; (2) 10 years of service at age 62; or, (3) 7 years of service at age 67. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of

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final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary, and the Parish is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Parish are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010 were \$3,565,815, \$3,415,220 and \$3,446,578 respectively, equal to the required contributions for each year.

Firefighters' Retirement System

Plan Description:

The Parish contributes to the Firefighters' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System covers firefighters employed by a municipality, parish, or fire protection district of the State of Louisiana. The System is governed by the provisions of Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

Employees are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary for each year of creditable service according to retirement eligibility provisions. Benefits are available upon retirement from service according to retirement eligibility provisions as follows: (1) 25 years of service at any age; (2) 20 years of service at age 50; or, (3) 12 years of service at age 55. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System of Louisiana, Post Office Box 94095, Capitol Station Baton Rouge, LA 70804-9095.

Funding Policy:

Plan members are required by state statute to contribute 10.00 percent of their annual covered salary, and the Parish is required to contribute at an actuarially determined rate. The current rate is 24.00 percent of annual covered payroll. The contribution requirements of plan members and the Parish are established and may be amended by state statute. The Parish contributions to the System for the years ending December 31, 2012, 2011 and 2010 were \$670,488, \$593,097 and \$251,705 respectively, equal to the required contributions for each year.

District Attorneys' Retirement System

Plan Description:

The Parish contributes to the District Attorneys' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System covers district attorneys and assistant district attorneys in any parish of the State of Louisiana. The System is governed by the provisions of Louisiana Revised Statutes 11, Chapter 3, specifically, and other general laws of the State of Louisiana.

Employees are entitled to a retirement benefit, payable monthly for life, equal to 3.5 percent of their final-average salary for each year of creditable service according to retirement eligibility provisions. Benefits are available upon retirement from service according to retirement eligibility provisions as follows: (1) 30 years of service at any age; (2) 24 years of service at age 55; or, (3) 10 years of service at age 60. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides options for reduced early retirement benefits and for death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the District Attorney Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802.

Funding Policy:

Plan members are required by state statute to contribute 7.00 percent of their annual covered salary, and the Parish is required to contribute at an actuarially determined rate. The current rate is 10.25 percent of annual covered payroll. The contribution requirements of plan members and the Parish are established and may be amended by state statute. The Parish contributions to the System for the years ending December 31, 2012, 2011 and 2010 were \$21,409, \$22,559 and \$16,482 respectively, equal to the required contributions for each year.

7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, is as follows:

Description	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	\$13,081,082	\$393,412	\$---	\$13,474,494
Construction in progress	55,906,900	22,749,659	(1,151,462)	77,505,097
Construction in progress-FEMA Projects	92,582,847	1,822,714	---	94,405,561
Total capital assets not being depreciated	161,570,829	24,965,785	(1,151,462)	185,385,152
Capital assets being depreciated				
Buildings and improvements	127,081,803	---	(199,258)	126,882,545
Improvements other than buildings	46,453,239	1,143,290	---	47,596,529
Machinery and equipment	38,584,941	5,540,365	(4,175,449)	39,949,857
Infrastructure	198,777,020	---	(18,183)	198,758,837
Total capital assets being depreciated	410,897,003	6,683,655	(4,392,890)	413,187,768
Less accumulated depreciation				
Buildings and improvements	(31,484,946)	(3,511,161)	---	(34,996,107)
Improvements other than buildings	(3,428,280)	(1,677,613)	---	(5,105,893)
Machinery and equipment	(17,427,630)	(2,307,271)	1,330,328	(18,404,573)
Infrastructure	(158,371,895)	(1,110,286)	---	(159,482,181)
Total accumulated depreciation	(210,712,751)	(8,606,331)	1,330,328	(217,988,754)
Total capital assets being depreciated, net	200,184,252	(1,922,676)	(3,062,562)	195,199,014
Governmental Activities, Net	\$361,755,081	\$23,043,109	(\$4,214,024)	\$380,584,166
Business-Type Activities				
Capital assets not being depreciated				
Land	\$52,000	\$---	\$---	\$52,000
Construction in progress	51,308,013	12,740,313	(1,506,724)	62,541,602
Total capital assets not being depreciated	51,360,013	12,740,313	(1,506,724)	62,593,602
Capital assets being depreciated				
Buildings and improvements	29,421,461	2,665	---	29,424,126
Improvements other than buildings	65,938,082	1,456,883	(4,457)	67,390,508
Machinery and equipment	9,666,729	220,987	(437,829)	9,449,887
Total capital assets being depreciated	105,026,272	1,680,535	(442,286)	106,264,521
Less accumulated depreciation				
Buildings and improvements	(11,470,504)	(707,494)	---	(12,177,998)
Improvements other than buildings	(39,349,622)	(2,823,739)	---	(42,173,361)
Machinery and equipment	(3,759,542)	(565,031)	214,672	(4,109,901)
Total accumulated depreciation	(54,579,668)	(4,096,264)	214,672	(58,461,260)
Total capital assets being depreciated, net	50,446,604	(2,415,729)	(227,614)	47,803,261
Business-Type Activities, Net	\$101,806,617	\$10,324,584	(\$1,734,338)	\$110,396,863

Depreciation expense was charged as follows:

Function	Governmental Funds	Business-Type Funds	Total
General Government	\$902,137	\$---	\$902,137
Public Safety	1,109,297	---	1,109,297
Public Works	5,995,902	---	5,995,902
Health and Welfare	187,410	---	187,410
Culture and Recreation	89,051	---	89,051
Economic Development	5,028	---	5,028
Transportation	317,506	---	317,506
Water and Sewer	---	2,885,411	2,885,411
Port, Harbor and Terminal	---	538,396	538,396
Boat Harbors and Shipyards	---	672,457	672,457
Total	\$8,606,331	\$4,096,264	\$12,702,595

8. POST- EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description: The Parish contributes to a single employer defined benefit health care plan. The Parish's medical and life insurance benefits, authorized by Resolution No. 11-442, are provided through insured programs and are made available to employees upon actual retirement. Substantially all of the Parish's employees become eligible for these benefits when they reach normal retirement age while working for the Parish. Benefits are available upon retirement from service for those employed prior to 01/01/2007 according to retirement eligibility provisions of Louisiana Revised Statute 11:1941 as follows: (1) 30 years of service at any age; (2) 10 years of service at age 60; (3) 25 years of service at age 55; or, (4) 7 years of service at age 65. For those employed on or after 01/01/2007, benefits are available upon retirement from service according to retirement eligibility provisions as follows: (1) 30 years of service at age 55; (2) 10 years of service at age 62; or, (3) 7 years of service at age 67. These benefits for retirees are similar to benefits for active employees provided through an insurance company. Premiums are paid jointly by the Parish and retiree. These benefits for retirees are similar to benefits for active employees provided through an insurance company. Premiums are paid jointly by the Parish and retiree. The Retiree Health Plan does not issue a publicly available financial report.

Health coverage includes a fully insured group health maintenance plan together with Medicare plans for those eligible. The plan provisions are contained in the official plan documents.

Life insurance coverage is available to retirees in the amount of \$10,000 for retirees and \$5,000 per dependent.

Currently the Parish provides post-employment medical and insurance benefits to 268 retired employees.

Contribution Rates: Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy: Until 2008, the Parish recognized the cost of providing post-employment medical and life benefits (the Parish's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012, the Parish's portion of health care and life funding cost for retired employees totaled \$874,318.

Effective with the Fiscal Year beginning January 1, 2008, the Parish implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45).

Annual Required Contribution: The Parish's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level percent of payroll, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2012 is \$3,397,887 for post-employment benefits, as set forth below:

Description	2010	2011	2012
Normal cost at year end	\$3,444,853	\$1,741,549	\$1,828,626
Amortization of UAL	2,001,037	1,488,320	1,569,261
Annual Required Contribution (ARC)	\$5,445,890	\$3,229,869	\$3,397,887

Net Post-Employment Benefit Obligation: The table below shows the Parish's Net Other Post-Employment Benefit (OPEB) Obligation for fiscal year ending December 31, 2012:

Description	2010	2011	2012
Annual Required Contribution (ARC)	\$5,445,890	\$3,229,869	\$3,397,887
Interest on prior year Net OPEB Obligation	278,919	495,780	593,672
Adjustment to ARC	(418,639)	(421,332)	(504,525)
Annual OPEB Cost	5,306,170	3,304,317	3,487,034
Contributions Made	(880,783)	(857,010)	(874,318)
Increase in Net OPEB Obligation	4,425,387	2,447,307	2,612,716
Net OPEB-Beginning of Year	7,969,113	12,394,500	14,841,807
Net OPEB-End of Year	\$12,394,500	\$14,841,807	\$17,454,523

The Parish's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31, 2010, 2011 and 2012 are as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$5,306,170	16.60%	\$12,394,500
2011	3,304,317	25.94%	14,841,807
2012	3,487,034	25.07%	17,454,523

Funded Status and Funding Progress: In the fiscal year ending December 31, 2012, the Parish made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of December 31, 2012, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$45,098,277, which is defined as that portion, as determined by a particular actuarial cost method (the Parish uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2012, the entire actuarial accrued liability of \$45,098,277 was unfunded. The covered payroll was \$24,480,245, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 184%. The schedule of funding progress included in the required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Parish and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Parish and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Parish and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method: The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets: There are no plan assets. The Parish is not required to set aside assets for the funding of future obligations under this benefit plan. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45, would be used.

Turnover Rate: A years-of-service related turnover scale based on actual experience as determined by the actuary for the Parochial Employees' Retirement System. The rates for each are below:

<u>Years of Service</u>	<u>% Turnover</u>
1	25%
2	21%
3	15%
5	12%
10	5%
15	2%
20	2%
21	1%

Post-Employment Benefit Plan Eligibility Requirements: It is assumed that entitlement to benefits will commence after earliest eligibility to retire. For those employed before 01/01/2007 eligibility for these benefits has been assumed to be the earliest of (1) 30 years of service at any age; (2) 25 years of service at age 55; (3) 10 years of service at age 60; or, (4) 7 years of service at age 65. For those employed on or after 01/01/2007, eligibility for these benefits has been assumed to be the earliest of: (1) 30 years of service at age 55; (2) 10 years of service at age 62; or, (3) 7 years of service at age 67. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate): GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4.0% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management

Health Care Cost Trend Rate: The expected rate of increase in medical cost is based on the following projections:

Year	Rate
2011	10.0%
2012	9.5%
2013	9.0%
2014	8.5%
2015	8.0%
2016	7.5%
2017	7.0%
2018	6.5%
2019	6.0%
2020	5.5%
2021+	5.0%

Mortality Rate: The RP-2000 Combined Mortality Table, Projected to 2012 using Scale AA, with separate rates for males and females

Method of Determining Value of Benefits: The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for actives and retirees. The blended rates for actives and retirees were "age" adjusted by 3% per year.

9. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$20,033,471 at December 31, 2012, are as follows:

Class of Payable	Governmental Funds			Business-Type Funds	Total
	General	Special Revenue	Capital Projects	Proprietary	
Withholdings	(\$3,255)	\$0	\$---	\$---	(\$3,255)
Accounts	3,080,533	10,434,440	946,357	1,587,569	16,048,899
Contracts & Retainage	330,095	2,318,217	918,014	5,373	3,571,699
Other	416,128	---	---	---	416,128
Total	\$3,823,501	\$12,752,657	\$1,864,371	\$1,592,942	\$20,033,471

10. DEFERRED COMPENSATION PLAN

The Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A third party, the Commonwealth Annuity and Life Insurance Company, administers the plan. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of December 31, 2012. The Parish has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Parish intends to honor its moral obligation to the participants implicit in the program.

Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Commonwealth Annuity and Life Insurance Company, 132 Turnpike Road, Suite 210, Southborough, MA 01772.

11. COMPENSATED ABSENCES

At December 31, 2012, employees of the Parish have accumulated and vested \$1,190,281 of annual leave benefits, which is recorded as a current liability in the General Fund, Special Revenue Funds and Enterprise Funds in the amounts of \$728,080, \$333,008 and \$129,193, respectively.

12. CAPITAL LEASES

The Parish records items under capital leases as assets and obligations in the accompanying financial statements. The Parish entered into numerous capital lease agreements for copier machines with varying lease terms and amounts.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2012:

Description	Governmental Funds	Business-Type Funds	Total
Fiscal year:			
2013	\$40,490	\$4,504	\$44,994
2014	28,558	2,808	31,366
2015	9,775	2,808	12,583
2016	6,060	2,574	8,634
2017	3,485	---	3,485
Total minimum lease payments	88,368	12,694	101,062
Less amount representing interest	(12,688)	(1,968)	(14,656)
Present value of net minimum lease payments	\$75,680	\$10,726	\$86,406

The Parish has leased equipment under a capital lease in the amount of \$202,273. The current year depreciation on this asset is \$33,933 and accumulated depreciation at year end is \$105,152.

13. COMMITMENTS UNDER CONTRACT

In accordance with parish ordinance 10-71 dated March 11, 2010, the Parish entered into a contract with the YMCA of Greater New Orleans for providing youth, senior and recreational services and programs and for providing the management of the various recreational facilities. The original contract commenced in April, 2010 with an expiration date in April, 2012; it contained an option to extend for two additional two-year periods. The contract was extended on March 19, 2012, for a term of two additional years, ending on April, 2014. The contract fee for the contract years ending in April of 2013 and 2014 is \$300,000 annually, to be paid in quarterly installments.

14. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2012:

Description	Capital Leases	Litigation/ Other Contingencies	Other Post-Emp Benefits	Bonded Debt	Revenue Anticipation Note	Total
Governmental Activities:						
Long-term obligations payable at beginning of year	\$93,472	\$4,683,853	\$13,676,470	\$46,180,000	\$8,900,000	\$73,533,795
Additions	23,934	---	2,382,796	84,985,000	---	87,391,730
Deductions	(41,726)	(1,281,434)	---	(2,045,000)	---	(3,368,160)
Long-term obligations payable at end of year	\$75,680	\$3,402,419	\$16,059,266	\$129,120,000	\$8,900,000	\$157,557,365
Business-Type Activities:						
Long-term obligations payable at beginning of year	\$12,078	\$---	\$1,165,337	\$---	\$---	\$1,177,415
Additions	9,249	---	229,920	---	---	239,169
Deductions	(10,601)	---	---	---	---	(10,601)
Long-term obligations payable at end of year	\$10,726	\$---	\$1,395,257	\$---	\$---	\$1,405,983

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2012:

Description	Capital Leases	Litigation/ Other Contingencies	Other Post-Emp Benefits	Bonded Debt	Revenue Anticipation Note	Total
Governmental Activities:						
Current Portion	\$33,157	\$---	\$---	\$3,960,000	\$---	\$3,993,157
Long-Term Portion	42,523	3,402,419	16,059,266	125,160,000	8,900,000	153,564,208
Total	\$75,680	\$3,402,419	\$16,059,266	\$129,120,000	\$8,900,000	\$157,557,365
Business-Type Activities:						
Current Portion	\$3,635	\$---	\$---	\$---	\$---	\$3,635
Long-Term Portion	7,091	---	1,395,257	---	---	1,402,348
Total	\$10,726	\$---	\$1,395,257	\$---	\$---	\$1,405,983

For the governmental activities, capital leases are generally liquidated by the fund incurring the obligation and litigation and claims are settled by the General Fund.

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Revenue Bonds

The Parish has revenue bonds outstanding at December 31, 2012, totaling \$129,120,000 with maturities from 2013 to 2042 and interest rates from 2.0% to 6.0%. Bond principal and interest payable in the next fiscal year are \$3,960,000 and \$5,107,874, respectively.

Revenue bonds are comprised of the following individual issues:

Revenue Bonds	Outstanding
\$10,000,000 - Revenue Bonds, Series 2004 Due in annual installments ranging from \$830,000 to \$1,185,000 through March 2014, with interest from 2.35% to 3.2%. Debt retirement payments are made from Revenue Bonds, Series 2004, Debt Service Fund.	\$2,325,000
\$5,300,000 - Revenue Bonds, Series 2005 Due in annual installments ranging from \$105,000 to \$410,000 through March 2025, with interest from 3.625% to 7.0%. Debt retirement payments are made from Revenue Bonds, Series 2005, Debt Service Fund.	4,040,000
\$5,000,000 - Revenue Bonds, Series 2007 Due in annual installments ranging from \$75,000 to \$390,000 through March 2027, with interest from 4.3% to 7.0%. Debt retirement payments are made from Revenue Bonds, Series 2007, Debt Service Fund.	4,230,000
\$11,850,000- Revenue Bonds, Series 2009 Due in annual installments ranging from \$340,000 to \$940,000 through March 2029, with interest from 3.0% to 5.5%. Debt retirement payments are made from Revenue Bonds, Series 2009, Debt Service Fund.	10,770,000
\$18,000,000- Revenue Bonds, Series 2010A Due in annual installments ranging from \$100,000 to \$1,525,000 through March 2030, with interest from 3.0% to 5.0%. Debt retirement payments are made from Revenue Bonds, Series 2010A, Debt Service Fund.	17,000,000
\$5,000,000- Revenue Bonds, Series 2010B Due in annual installments ranging from \$60,000 to \$435,000 through March 2029, with interest from 3.0% to 6.0%. Debt retirement payments are made from Revenue Bonds, Series 2010B, Debt Service Fund.	4,870,000
\$59,985,000- Revenue Bonds, Series 2012A Due in annual installments ranging from \$1,180,000 to \$3,365,000 through September 2042, with interest from 2.0% to 5.0%. Debt retirement payments are made from Revenue Bonds, Series 2012A, Debt Service Fund.	59,985,000
\$25,000,000- Revenue Bonds, Series 2012B Due in annual installments ranging from \$485,000 to \$1,345,000 through November 2042, with interest from 2.0% to 5.0%. Debt retirement payments are made from Revenue Bonds, Series 2012B, Debt Service Fund.	25,000,000
Total Revenue Bonds	\$129,120,000

The revenue bonds are payable solely from the Parish's one percent sales and use tax.

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Revenue Anticipation Note

The Parish has a revenue anticipation note outstanding at December 31, 2012, totaling \$8,900,000 with maturity in 2016 and interest rate of 3.0%.

Revenue anticipation note is comprised of the following individual issue:

Revenue Anticipation Note	Outstanding
\$8,900,000 - Revenue Anticipation Note, Series 2006 Due at the end of the loan term in August 2016, with interest of 3.0%. Debt retirement payments are made from Revenue Anticipation Note, Series 2006, Debt Service Fund.	\$8,900,000

The revenue anticipation note is payable solely from the Parish's revenues.

Long-Term Debt Summary

During 2012, bond principal and interest payments on all long-term debt totaled \$2,635,000 and \$1,968,107, respectively. The annual requirements to amortize all bonded debt outstanding at December 31, 2012, are as follows:

Fiscal Year	Principal	Interest	Total
Pre 2013	\$ ---	\$1,350,431	\$1,350,431
2013	3,960,000	5,107,874	9,067,874
2014	3,965,000	5,235,905	9,200,905
2015	3,705,000	5,125,194	8,830,194
2016	12,725,000	5,021,710	17,746,710
2017	3,960,000	4,639,902	8,599,902
2018-2022	22,025,000	21,011,668	43,036,668
2023-2027	26,125,000	16,183,824	42,308,824
2028-2032	21,715,000	10,220,216	31,935,216
2033-2037	18,015,000	6,443,800	24,458,800
2038-2042	21,825,000	2,638,563	24,463,563
Total	\$138,020,000	\$82,979,087	\$220,999,087

15. CHANGES IN AGENCY FUNDS

A summary of changes in agency funds assets and liabilities for the year ended December 31, 2012, is as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Assets:				
Cash	\$2,717,382	\$36,766,145	(\$36,747,337)	\$2,736,190
Investments	79,747	115	---	79,862
Total Assets	\$2,797,129	\$36,766,260	(\$36,747,337)	\$2,816,052
Liabilities:				
Interfund Payables	\$---	\$18,893,169	(\$18,893,169)	\$---
Deposits Due Others	1,363,504	19,470,558	(19,317,113)	1,516,949
Other Liabilities	1,433,625	1,159,414	(1,293,936)	1,299,103
Total Liabilities	\$2,797,129	\$39,523,141	(\$39,504,218)	\$2,816,052

16. SALES TAX COLLECTIONS AND DISTRIBUTION

Act 711 of the 2010 Louisiana legislative session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions during calendar year 2012:

Taxing Authorities	Annual Totals-2012 Tax Periods			
	Authorized Tax Rate	Total Collections	Collection Costs	Final Distribution
Plaquemines Parish Government	1%	\$9,482,898	\$289,053	\$9,193,845
Plaquemines Parish School Board	2%	18,837,985	734,026	18,103,959
Plaquemines Parish Firefighting Dept	1%	8,761,266	364,248	8,397,018
Total	4%	\$37,082,149	\$1,387,327	\$35,694,822

17. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end to be transferred to the Parish General Fund. The following details the amount due at December 31, 2012:

Balance due at January 1, 2012	\$264,254
Amount due for 2012	211,238
Total	475,492
Remitted during 2012	(264,254)
Balance due at December 31, 2012	<u>\$211,238</u>

18. FOOD DISTRIBUTION PROGRAM

The Parish operates the Food Distribution Program under an agreement with the Louisiana Department of Agriculture. Under this program, the Parish is responsible for the issuance of donated food commodities for use in feeding persons in needy households. The value of the donated food commodities received and issued for the year totaled \$38,899 and is not recorded in the accompanying financial statements.

19. EMERGENCY 911 SERVICE

During 2012, the Parish collected service charges of \$290,213 for emergency 911 operations and expended \$779,138 for operations of the system. The Parish's wireless emergency 911 system is operational and phase I compliant.

20. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 2012, are as follows:

Payable Fund	Receivable Fund		
	Governmental Funds		
	General	Non-Major	Total
Governmental Major Funds:			
General Fund	\$---	\$21,398	\$21,398
Capital Projects-Series 2012B	37,477	---	37,477
FEMA Management	34,815,672	---	34,815,672
	34,853,149	21,398	34,874,547
Governmental Non-Major Funds:			
Criminal Court	211,238	---	211,238
Court Reporter	665	---	665
DWI Court Administered	792	---	792
911 Services Fund	155,000	---	155,000
Capital Projects-1999 6 Mil WW	1,021	---	1,021
Capital Projects-Series 2004	---	142	142
Capital Projects-Series 2005	25,415	---	25,415
Capital Projects-Series 2009	271,102	---	271,102
Capital Projects-Series 2010A	15,900	---	15,900
Capital Projects-Series 2010B	69,139	61,739	130,878
LCDBG-Oyster Conveyors	218	---	218
LCDBG-Oyster Processing/Ameripure	2,000	---	2,000
LCDBG/HUD-Gustav/Ike Recovery	72	---	72
LCDBG Projects	25,239	---	25,239
LRA Projects	3,325,649	---	3,325,649
Total	4,103,450	61,881	4,165,331
Total Governmental Funds	38,956,599	83,279	39,039,878
Business-Type Major Funds:			
Water and Sewer	2,073,727	---	2,073,727
Port, Harbor and Terminal	1,363,105	---	1,363,105
Boat Harbors and Shipyards	60,000	---	60,000
Total Business-Type Funds	3,496,832	---	3,496,832
Total	\$42,453,431	\$83,279	\$42,536,710

These balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur; (b) transactions are recorded in the accounting system; and (c) payments between funds are made.

The balance due from the Water and Sewer Fund to the General Fund in the amount of \$2,073,727 is not expected to be repaid within the next twelve months.

21. INTERFUND TRANSFERS

The following is a summary of interfund transfers during 2012:

Transfers Out	Transfers In								
	Governmental Funds						Business-Type Funds		Total
	General	Road Maintenance	Public Health	FEMA Management	Capital Projects	Non-Major	Water and Sewer	Boat Harbors & Shipyards	
Governmental Funds									
Major Funds									
General	\$---	\$1,846,361	\$3,997,860	\$10,426,378	\$5,631,143	\$463,352	\$4,535,793	\$482,515	\$27,383,402
Non-Major Funds									
Criminal Court	211,238	---	---	---	---	---	---	---	211,238
Total	211,238	---	---	---	---	---	---	---	211,238
Total Governmental Funds	\$211,238	\$1,846,361	\$3,997,860	\$10,426,378	\$5,631,143	\$463,352	\$4,535,793	\$482,515	\$27,594,640

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

22. FUND DEFICITS

The following individual funds have deficits in fund balance/unrestricted net position at December 31, 2012:

Fund	Deficit Amount
Governmental-Type Funds:	
LRA Projects	(\$558,317)
LCDBG Projects	(\$58,368)
Capital Improvements	(2,558,873)
Business-Type Funds:	
Water and Sewer	(3,477,794)
Boat Harbors and Shipyards	(148,251)

The fund deficits for the governmental-type funds will be addressed through federal grants. The fund deficits for business-type funds will be addressed through transfers from the General Fund or additional revenue sources in each fund.

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23. FUND BALANCES

The following is a detail of the composition of fund balance:

Description	Governmental Funds									Total
	General	Road Maintenance	Public Health	Solid Waste	Fire Fighting	FEMA Management	Sereis 2012A Coastal Restorations	Capital Improvements	Other Govt Funds	
Fund Balances:										
Nonspendable:										
Interfund loan	\$2,073,727	\$---	\$---	\$---	\$---	\$---	\$---	\$---	\$---	\$2,073,727
Prepaid items	828,237	---	---	---	---	---	---	---	---	828,237
Total	2,901,964	---	---	---	---	---	---	---	---	2,901,964
Restricted:										
Fund purpose	---	---	---	520,669	2,421,488	244,123	---	---	8,799,045	11,985,325
Capital projects	---	---	---	---	8,814,760	5,107,845	59,636,097	---	36,710,738	110,269,440
Bond reserve funds	---	---	---	---	---	---	---	---	4,083,319	4,083,319
Bond sinking funds	2,429,060	---	---	---	---	---	---	---	---	2,429,060
Total	2,429,060	---	---	520,669	11,236,248	5,351,968	59,636,097	---	49,593,102	128,767,144
Committed:										
Infrastructure	136,988	---	---	---	---	---	---	---	---	136,988
Self-Insurance	3,050,000	---	---	---	---	---	---	---	---	3,050,000
Bond Indebtedness	10,000,000	---	---	---	---	---	---	---	---	10,000,000
Sewer projects	7,141,656	---	---	---	---	---	---	---	---	7,141,656
FEMA Projects	1,000,000	---	---	---	---	---	---	---	---	1,000,000
Capital Projects	48,885,288	---	---	---	---	---	---	---	---	48,885,288
Total	70,213,932	---	---	---	---	---	---	---	---	70,213,932
Assigned										
Encumbrances	391,452	56,159	14,244	---	461,516	---	---	---	310	923,681
Unassigned (Deficit)	1,317,727	---	---	---	---	---	---	(2,558,873)	(861,507)	(2,102,653)
Total	\$77,254,135	\$56,159	\$14,244	\$520,669	\$11,697,764	\$5,351,968	\$59,636,097	(\$2,558,873)	\$48,731,905	\$200,704,068

A. NONSPENDABLE

1. Interfund Loan
 An interfund loan in the amount of \$2,073,727 represents funds due from the Water and Sewer Fund to the General Fund that are not expected to be repaid within the next twelve months.
2. Prepaid Items
 Prepaid items in the amount of \$828,237 represents payments to vendors for expenditures that will apply to periods after December 31, 2012.

B. RESTRICTED

1. Bond Sinking Funds
 In accordance with revenue and bond covenants, a Sales Tax Bond Sinking Fund in the amount of \$2,429,060 has been established for the purpose of accumulating funds to pay the principal and interest as they become due and payable.
2. Bond Reserve Funds
 In accordance with revenue bond covenants, a Sales Tax Bond Reserve Fund in the amount of \$4,083,319 has been established for the purpose of paying the principal and interest on the bonds payable from the Sales Tax Bond Sinking Fund as to which there would otherwise be default.
3. Capital Projects

Project Name	Amount
Special Revenue Funds	
Library Fund	
Eastbank Library	\$49,795
Port Sulphur Library-Engineering	100,000
Port Sulphur Library-Expansion	500,000
Port Sulphur Library-Parking Lot	150,000
	799,795
Transportation Fund	
Road Maintenance Parish Wide	107,336
Repairs-Dr Bowen to Kenneth Drive	240,346
	347,682
Firefighting Fund	
New Construction-Phoenix Fire House	200,000
Renovations-Belle Chasse Fire Station	250,000
Renovations-Woodlawn Fire Station	43,170
Renovations-Braithwaite Fire Station	60,000
Fire Department Living Quarters	47,600
Boothville Firehouse-Sprung Structure	77
Land Acquisition-Central Fire Station	11,176
Replace-Central Fire Station	5,350,938
Living Quarters-Port Sulphur Fire Station	132,800
Living Quarters-Belle Chasse #3 Fire Station	108,734
Fire Station-Myrtle Grove	2,610,265
	8,814,760

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Project Name	Amount
Special Revenue Funds-Continued	
FEMA Fund	
Hurricanes	5,107,845
Total Special Revenue Funds	15,070,082
Capital Improvements Funds	
1999 - \$6 Million General Obligation Bonds	
Water & Sewer Improvements	295,406
2004 General Obligation Bonds	
Water & Sewer Improvements	2,863,533
2005 General Obligation Bonds	
West First Street Canal Improvements	54,288
2009 General Obligation Bonds	
Ollie Pump Station	(139,791)
2010A General Obligation Bonds	
Belle Chasse Sewer Treatment Facilities	1,232,299
2010B General Obligation Bonds	
Levee Improvements-East Bank	6,342,542
2012A General Obligation Bonds	
Coastal Restorations	59,636,097
2012B General Obligation Bonds	
Courthouse	24,914,984
Total Capital Improvements Funds	95,199,358
Total Restricted Capital Projects	\$110,269,440

4. Fund Purpose

In accordance with laws and regulations, funds in the amount of \$11,985,635 are restricted for the individual fund purposes.

C. COMMITTED

1. Infrastructure

In accordance with parish ordinance 97-117, dated April 24, 1997, the Parish has funds in the amount of \$136,988 committed for the construction, repair, maintenance, upgrading and developing of infrastructure.

2. Self-Insurance

In accordance with parish ordinance 09-303, dated December 10, 2009, the Parish has committed funds in the amount of \$3,050,000 for self-insurance. The Parish is self-insured for commercial liability (automobile and general) up to \$1,000,000, which is supplemented by an excess liability policy of \$6,500,000. Coverage is maintained through an insurer rated at least A- by A.M. Best Rating. The Parish is self-insured for employer's liability (worker's compensation) up to \$500,000 supplemented by an excess policy with coverage up to \$10,000,000 on Part A and \$1,000,000 on Part B. Fifty thousand dollars has been set aside for payment in the event of accidental death of a volunteer firefighter. This money is only payable after the accidental death payment has been made under a policy owned by the State Fire Marshall's Office. The Parish maintains vessel pollution coverage up to \$55,000,000 through a combination of primary and excess coverages. Vessel hull and machinery coverages are subject to varying deductibles and are limited to the vessel's scheduled values. Protection and indemnity for vessels and crew is self-insured by the Parish up to \$1,000,000 and then by excess policies up to a total of \$51,000,000.

3. Bond Indebtedness

In accordance with parish resolution 96-220, dated August 8, 1996, and resolution 00-154, dated April 27, 2000, the Parish has committed funds in the amount of \$10,000,000 for payment of bonded indebtedness.

4. Sewer Projects

In accordance with parish resolution 01-251, ordinance 01-147, and ordinance 01-148, dated August 9, 2001, the Parish has committed funds in the amount of \$7,141,656 for parish-wide sewer projects and payment of sewer bond indebtedness.

5. FEMA Projects

In accordance with parish ordinance 08-236, dated October 23, 2008, the Parish has committed funds in the amount of \$1,000,000 in order to have full funding available for the unreimbursed portion of all contracts executed after the "emergency declaration" expired on August 29, 2008 for FEMA projects related to Hurricane Katrina.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2012

6. Capital Projects

Project Name	Amount
General Fund	
Animal Control Building	\$4,832
Asbestos Removal-Buras YMCA	5,470
Barge Removal-Port Eads	100,000
Beautification-Buras Flagpole	25,000
Beautification-Council on Aging-Hwy 23	2,000
Beautification-Port Sulphur Flagpole	25,000
Beautification-Port Sulphur Sign	75,000
Belle Chasse/Scarsdale Ferry Landing	416,966
Black Top-Public Road	350,000
Bond Preparation-Coastal	40,000
Bridge-Lake Hermitage	2,078,502
Building Replacement-BC Government Warehouse	84,148
Buildings-Furniture FEMA	159,968
CDBG/HUD-Ike/Gustav Recovery	819
Computer System Replacement	57,684
Consolidated Pump Station-Triumph/Belair	25,000
Culverts-Davant Pool	905
Cypress Park-Grand Stand/Picnic Area	13,819
Design/Modeling-Flood Elevations	50,000
Diesel Underground Storage Tanks Closure	25
Disaster Recovery-Grand Bayou Docking Facility	1,000
Diversion-Spanish Pass	7,119
Dock Facility-Jefferson Lake	40,586
Drainage-Buras Auditorium	80,000
Drainage-Concession Street	48,382
Drainage-District 2	299,420
Drainage-East 1st, 2nd, 3rd Streets/H-M Avenues	3,675
Drainage-Jesuit Bend	449,634
Drainage-Martin Lane	287,182
Drainage-Outfall Sunrise Pump Station	1,055
Drainage Improvements-District 7	9,925
Drainage Improvements-Main Street/Avenue G	3,737,516
Drainage Improvements-Medal of Honor Lagoon	78,867
Drainage Improvements-Seatrain Road	5,885
Drainage Study-Parish Wide	28,012
Dredging-Empire Boat Harbor	500,000
Electrical-Woodland Park Subdivision	50,000
Engine Replacement-Belle Chasse I Pump Station	98,099
Engineering Consulting-District 3	44,490
Engineering-Pump Station Capacity Parishwide	125,000
Environmental Study-Replace BC Bridge/Tunnel	170,000
Extension-East Bayou Road to Concord Road	200,000

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2012

Project Name	Amount
Extension-Walker Road	998,300
Fencing-F Edward Hebert Complex	78,800
Ferry Prevention Maintenance-FY 2012	68,800
Ferry Transportation Emissions	500,000
Field Lighting-Ironton	15,000
Floodgate-Wilkinson Canal	25,000
Generator-Braithwaite Auditorium	4,818
Happy Jack and Wilkinson Canals	42,905
Hazardous Material Remediation-Jefferson Lake	100,000
Highway 23 Widening-Engineers Road to LaPalco	265,425
Hurricane Protection Levee-LaReussite	214,802
Hurricane Protection-NO to Venice	18,996
Hurricane Protection-NO to Venice-St Jude to Reach C	47,600
Improvements-Braithwaite Auditorium	15,611
Improvements-Davant Park	42,387
Improvements-LA Hwy 406	50,000
Inner Levee-Empire	100,000
Land Acquisition	218,990
Land Acquisition-East Bank Wills Point	2,896
Land Acquisition-Grand Bayou	102,000
Land Acquisition-Belle Chasse Drainage	7,590
Land Acquisition-Jesuit Bend Park	10,500
Levee Improvements-Braithwaite to White Ditch Back Levee	4,959,543
Levee Improvements-Empire Dollut Canal	57,800
Levee Improvements-West PALH	97,925
LRA Projects	2,117,962
Maintenance Dredging Permits-Boat Harbors	32,428
Mitigation Bank	16,454
New Construction-Fort Jackson Museum	1,858,597
New Courthouse	3,625,498
New Courthouse/Government Complex	2,438,906
New Shipyard-Empire Boat Harbor	1,375,736
Oak Road-Belle Chasse	134,320
Overlay-Empire Boat Harbor	160,000
Overlay-Louis Morel Lane	49,176
Overlay-Pointe a la Hache Boat Harbor Road	25,000
Overlay-Venice Marina Road	1,940,616
Oyster Hatchery	10,581
Oyster Conveyors/Boat Harbor Upgrades	424
Oyster Processing-Ameripure Fisheries	458
P-1 Sewer Lift Station	1,883
Parish Welcome Center	228,308
Parks-Blackie Barris	14,949
Parking Lot-Braithwaite Auditorium	37,069
Parking Lot-Diamond Park	350,000
Parking Lots-Davant, Diamond, PS, BV/Ven Comm Centers	6,040
Permits/Surveys-Cat Island	4,538
Peters Road Extension Bypass	518,201

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2012

Project Name	Amount
Playground-Port Sulphur	200,000
Public Sewerage-BC STP to La Reussite	181,958
Playground-District 1 Equipment	7,684
Playground-Leroy Harvey	59,745
Playground-Oakville	50,000
Pump Station-Empire	621,240
Pump Station Repairs-EPALH	7,827
Railroad Crossing-Main Street	18,000
Raising of Tidewater Road	289,017
Removable Platform-Solid Waste South Building	2,658
Renovations-BCHS Football Field	1,092
Renovations-Compactor Sites-SW South	365,433
Renovations/Repair-Hayes Pump Station	30,000
Renovations/Repairs-Scarsdale Pump Station	70,000
Repairs-Buras Boat Harbor	328,016
Repairs-Cement/Aprons Civic Dr to PS Govt Bldg	25,000
Repairs-Empire Floodgate	233,699
Repairs-Ferry Ramps PALH	100,000
Repairs-Pump Stations	54,000
Repairs-Roger Halphen Field	25,646
Replace-Cement Walkways Port Eads Marina	384,793
Replace-Motors Scarsdale Pump Station	164,658
Replace-Venice Boat Harbor Hoist	30,081
Reroute Lines-Empire Shipyard	7,000
Rerouting-Lift Station Discharge Force Main	1,085,749
Reskin-F Edward Hebert Complex	2,506
Restoration-Cat Island	25,000
Restoration-PALH Jail/Courthouse	100,000
Resurface-Belair Road	32,000
Resurface-Hebert Boulevard	1,022,330
Resurface-Highway 15	1,665,019
Right of Way Acquisitions-Coastal Zone Management	34,224
Road Improvements-Barriere	28,022
Road Improvements-Woodland Industrial Subdivision	184,654
Road Maintenance-Braithwaite Park	42,274
Road Maintenance-District 3	35,108
Road Maintenance-District 5	529,911
Road Maintenance-District 6	383,845
Road Maintenance-Parish Wide	748,073
Road Repairs-District 2	175,000
Roof Repairs-PS Government Building	320,000
Servitude Acquisition-Belle Chasse Drainage	65,000
Sewer-Braithwaite	80,000
Sewer Lift Station-Martin Lane	130,000
Sewer/Water Line-Martin Lane	351,525
Sewerage Extension-District 7	1,890,000
Shore Stabilization/Pier Development-Fort Jackson	6,500
Sign Construction-Administration Bldg	7,137
Sign-East Bank	11,500

Project Name	Amount
Solid Waste Transfer Upgrade-Boothville	27,128
Solid Waste Transfer Upgrade-Port Sulphur	26,031
Stabilization & Restoration-Buras Bank	1,139,324
Storage-Assessor/Clerk of Court	58,000
Temporary Complex-PALH Council	321,941
Temporary Pumps-Ollie Pump Station	10,500
Traffic Study-Springwood Subdivision	1,500
Upgrade-Disaster Communication System	210,732
Upgrade-Ironton Park	100,000
Utility Relocation-Happy Jack to North Port Sulphur	643,690
Walking Track-Medal of Honor	6,051
Walking Track & Recreation Field-Empire	80,000
Water Monitoring-SCADA Program	44,135
Waterline-Lake Hermitage	152,849
Waterline-Russell Drive to Booster Station	246,875
Waterline Improvements-District 8	89,791
Waterline Replacement-Braithwaite/Phoenix	740,000
Total Committed Capital Projects	\$48,885,288

D. ASSIGNED

1. Encumbrances

Encumbrances in the amount of \$923,371 represents that portion of the applicable appropriation that is committed under purchase order or contract, but which does not constitute expenditures or liabilities.

24. LITIGATION AND OTHER CONTINGENCIES

PENDING LITIGATION

The Parish's legal representatives have reviewed all litigation and claims in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate of the amount of potential loss to the Parish. At December 31, 2012, as a result of this review, in the opinion of the Parish's legal representatives, an unfavorable outcome is probable in cases involving exposure assessed at an aggregate amount of approximately \$1,689,667. A long-term liability in the amount of \$1,689,667 has been established for claims, which, in the opinion of the Parish's legal counsel, will probably result in an unfavorable outcome. The obligations are recorded in the General Fund as a current liability when the amount is determinable and funds are appropriated. No provisions have been made in the financial statements for loss contingencies that in the opinion of the Parish's legal representatives, an unfavorable outcome is less than probable.

RISK MANAGEMENT

The Parish is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Parish purchases commercial insurance for claims in excess of coverage provided through self-insurance and for all other risks of loss. There were no significant change in coverage, retention or limits during the year ended December 31, 2012. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SELF-INSURANCE

The Parish is self-insured for liability claims relative to commercial liability (automobile and general) up to \$1,000,000 which is supplemented by an excess liability policy of \$6,500,000. Coverage is maintained through an insurer rated at least A- by A.M. Best Rating. The Parish is self-insured for worker's compensation up to \$500,000 per claim, supplemented by an excess policy with unlimited coverage on Part A and \$1,000,000 on Part B. Fifty thousand dollars has been set aside for payment in the event of accidental death of a volunteer firefighter. This money is only payable after the accidental death payment has been made under a policy owned by the State Fire Marshall's Office. The Parish maintains all marine coverages through companies rated at least A- by A.M. Best. The Parish maintains vessel pollution coverage up to \$55,000,000 through a combination of primary and excess coverages. Vessel hull and machinery coverage are subject to varying deductibles and are limited to the vessel's scheduled values. Protection and indemnity for vessels and crew is self-insured by the Parish up to \$1,000,000 and then by excess policies up to a total of \$51,000,000. A long-term liability in the amount of \$1,712,752 has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The Parish maintains a fund balance designation for self-insurance as disclosed in Note 23.

FEDERAL PROGRAMS

The Parish participates in a number of federally assisted grant programs and are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agencies for expenses disallowed under the terms of the grants. The Parish management believes that the extent of such disallowance, if any, which may arise will not be material. Federal regulations mandate a special reduction in the amount of Federal Emergency Management Agency Public Assistance funding that Plaquemines Parish receives for certain public facilities that were damaged by flood waters during Hurricane Katrina, which were insurable under the National Flood Insurance Program. The Parish has appealed this special reduction assessment. The likelihood of an unfavorable outcome is reasonably possible in these cases involving exposure ranging from \$5,000,000 to \$10,000,000.

Required Supplementary Information

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Schedule 1

**Budgetary Comparison Schedule
For the Year Ended December 31, 2012**

Revenues

	General Fund			Road Maintenance			Public Health			Solid Waste		
	Budget			Budget			Budget			Budget		
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual
Taxes:												
Ad valorem	\$3,377,730	\$3,377,730	\$3,490,858	\$1,393,540	\$1,393,540	\$1,440,201	\$922,880	\$922,880	\$953,825	\$3,673,060	\$3,673,060	\$3,796,108
Sales and use	3,678,000	3,678,000	4,937,709	---	---	---	---	---	---	---	---	---
Other taxes, penalties, interest, etc.	95,000	95,000	116,199	---	---	---	---	---	---	---	---	---
Licenses and permits	1,303,500	1,303,500	1,205,267	---	---	---	---	---	---	---	---	---
Intergovernmental revenues:												
Federal grants	1,258,730	3,248,790	2,523,130	250	250	59,336	27,160	27,160	217,110	650	650	110,189
State funds:												
State revenue sharing	23,500	23,500	23,100	9,700	9,700	9,534	6,400	6,400	6,312	25,550	25,550	25,119
Parish royalty fund	19,200,000	19,200,000	20,050,412	---	---	---	---	---	---	---	---	---
Other	2,715,460	2,715,460	2,358,947	182,340	182,340	182,340	350	350	3,532	---	---	---
Fees, charges and commissions for services	599,960	599,960	579,675	2,000	2,000	---	516,000	516,000	364,242	705,000	705,000	707,013
Use of money and property	16,473,990	16,473,990	21,566,584	2,000	2,000	1,253	1,000	1,000	694	5,000	5,000	4,667
Other	3,655,930	4,429,723	4,621,002	---	---	---	---	9,000	10,924	20,000	20,000	10,490
Total Revenues	52,381,800	55,145,653	61,472,883	1,589,830	1,589,830	1,692,664	1,473,790	1,482,790	1,556,639	4,429,260	4,429,260	4,653,586

Expenditures

Current:												
General government	21,008,063	22,784,696	20,123,116	---	---	---	---	---	---	---	---	---
Public safety	898,160	1,914,544	1,522,582	---	---	---	---	---	---	---	---	---
Public works	9,332,151	20,163,768	8,970,086	4,409,489	4,103,340	3,531,341	---	---	---	4,791,060	4,768,790	4,309,954
Health and welfare	1,531,076	1,544,680	1,356,653	---	---	---	6,026,975	5,992,425	5,561,025	---	---	---
Culture and recreation	2,774,956	2,723,230	2,304,835	---	---	---	---	---	---	---	---	---
Economic development and assistance	1,901,500	1,927,690	1,448,981	---	---	---	---	---	---	---	---	---
Transportation	5,456,397	5,442,575	4,507,476	---	---	---	---	---	---	---	---	---
Total Expenditures	42,902,303	56,501,183	40,233,729	4,409,489	4,103,340	3,531,341	6,026,975	5,992,425	5,561,025	4,791,060	4,768,790	4,309,954

Excess (Deficiency) of Revenues Over Expenditures

Other Financing Sources (Uses)

Transfers in	268,050	962,430	211,238	2,763,500	2,513,510	1,846,361	4,073,770	4,489,310	3,997,860	361,800	339,530	---
Transfers out	(13,364,026)	(54,838,681)	(27,583,402)	---	---	---	---	---	---	---	---	---
Capital leases	50,000	50,000	23,934	---	---	---	---	---	---	---	---	---
Sale of capital assets	50,000	380,000	578,874	---	---	48,475	---	---	450	---	---	---
Proceeds from long-term notes	---	---	---	---	---	---	---	---	---	---	---	---

Net Other Financing Sources (Uses)

	(12,995,976)	(53,446,251)	(26,769,356)	2,763,500	2,513,510	1,894,836	4,073,770	4,489,310	3,998,310	361,800	339,530	---
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Net Change in Fund Balance

	(3,516,479)	(54,801,781)	(5,530,202)	(56,159)	---	56,159	(479,415)	(20,325)	(6,076)	---	---	343,632
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Fund Balances at Beginning of Year

	82,784,340	82,784,340	82,784,337	---	---	---	20,320	20,320	20,320	177,040	177,040	177,037
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Fund Balances at End of Year

	\$79,267,861	\$27,982,559	\$77,254,135	(\$56,159)	\$---	\$56,159	(\$459,095)	(\$5)	\$14,244	\$177,040	\$177,040	\$520,669
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**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Schedule 1

**Budgetary Comparison Schedule
For the Year Ended December 31, 2012**

Revenues

Taxes:
Ad valorem
Sales and use
Other taxes, penalties, interest, etc.
Licenses and permits
Intergovernmental revenues:
Federal grants
State funds:
State revenue sharing
Parish royalty fund
Other
Fees, charges and commissions for services
Use of money and property
Other

Total Revenues

Expenditures

Current:
General government
Public safety
Public works
Health and welfare
Culture and recreation
Economic development and assistance
Transportation

Total Expenditures

Excess (Deficiency) of Revenues Over Expenditures

Other Financing Sources (Uses)

Transfers in
Transfers out
Capital leases
Sale of capital assets
Proceeds from long-term notes

Net Other Financing Sources (Uses)

Net Change in Fund Balance

Fund Balances at Beginning of Year

Fund Balances at End of Year

Fire Fighting			FEMA Management			Series 2012A-Coastal Restorations			Capital Improvements		
Budget		Actual	Budget		Actual	Budget		Actual	Budget		Actual
Original	Final		Original	Final		Original	Final		Original	Final	
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
\$7,100,000	7,100,000	8,477,102									
1,200,000	1,461,760	1,380,209		150,147,800	28,542,380					22,012,133	4,191,127
1,000	1,000	984								3,458,271	1,003,685
5,000	5,000	8,981						2,092			
105,000	105,000	81,679								154,783	32,573
8,411,000	8,672,760	9,948,955		150,147,800	28,542,380			2,092		25,625,187	5,227,385
7,919,606	18,727,632	8,322,236									
			252,810	158,643,959	34,232,159		59,985,000	2,192,703	2,062,407	65,359,181	10,714,403
7,919,606	18,727,632	8,322,236	252,810	158,643,959	34,232,159		59,985,000	2,192,703	2,062,407	65,359,181	10,714,403
491,394	(10,054,872)	1,626,719	(252,810)	(8,496,159)	(5,689,779)			(2,190,611)	(2,062,407)	(39,733,994)	(5,487,018)
					10,426,378				2,062,407	39,733,994	5,631,143
		17,650									
								61,826,708			
		17,650			10,426,378			61,826,708	2,062,407	39,733,994	5,631,143
491,394	(10,054,872)	1,644,369	(252,810)	(8,496,159)	4,736,599			59,636,097			144,125
10,053,400	10,053,400	10,053,395			615,369						(2,702,998)
\$10,544,794	(\$1,472)	\$11,697,764	(\$252,810)	(\$8,496,159)	\$5,351,968	\$ ---	\$ ---	\$59,636,097	\$ ---	\$ ---	(\$2,558,873)

*The FEMA Management projects final budget is on all FEMA projects and the actual is only on projects that were in process during 2012.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 2

**Schedule of Funding Progress
Post-Employment Benefits Other Than Pensions
December 31, 2012**

Valuation Date	Actuarial Calculation			Funded Ratio	Covered Payroll	
	Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)		Amount	UAAL as Percentage
12/31/2008	---	\$34,827,396	\$34,827,396	0%	\$19,157,273	182%
12/31/2010	---	41,957,717	41,957,717	0%	23,369,277	180%
12/31/2011	---	42,767,925	42,767,925	0%	24,443,161	175%
12/31/2012	---	45,098,277	45,098,277	0%	24,480,245	184%

Other Supplementary Information

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
All Fund Types**

Schedule 3

**Combined Balance Sheet
December 31, 2012**

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type		Total
	General	Special Revenue	Capital Projects	Enterprise	Agency	Permanent	Memorandum Only
Assets:							
Current Assets:							
Cash and cash equivalents	\$23,860,570	\$13,087,323	\$103,595,463	\$4,812,095	\$2,736,190	\$7,130	\$148,098,771
Investments	875,524	181,318	4,307,316	\$825,732	79,862	—	6,269,752
Receivables (net of allowances for uncollectibles)	18,037,704	66,814,245	4,589,443	6,371,674	—	—	95,813,066
Due from other funds	40,379,704	1,400	81,879	—	—	—	40,462,983
Prepaid items	828,238	—	—	88,135	—	—	916,373
Total Current Assets	83,981,740	80,084,286	112,574,101	12,097,636	2,816,052	7,130	291,560,945
Non-Current Assets:							
Interfund loan	2,073,727	—	—	—	—	—	2,073,727
Capital assets, net of accumulated depreciation	—	—	—	47,803,261	—	—	47,803,261
Capital assets not being depreciated	—	—	—	62,593,602	—	—	62,593,602
Total Non-Current Assets	2,073,727	—	—	110,396,863	—	—	112,470,590
Total Assets	\$86,055,467	\$80,084,286	\$112,574,101	\$122,494,499	\$2,816,052	\$7,130	\$404,031,535
Liabilities:							
Current Liabilities:							
Cash overdraft	\$ —	\$ —	\$ —	\$3,724,143	\$ —	\$ —	\$3,724,143
Accounts, salaries and other payables	3,823,501	12,752,657	1,864,371	1,592,942	—	—	20,033,471
Capital leases payable	—	—	—	3,634	—	—	3,634
Deferred revenues	4,054,282	11,591,508	3,420,380	—	—	—	19,066,170
Compensated absences payable	728,080	333,008	—	129,193	—	—	1,190,281
Deposits due others	46,915	880	—	—	1,516,949	—	1,564,744
Due to other funds	21,398	35,183,367	3,835,113	1,423,105	—	—	40,462,983
Other	127,156	227,170	—	512,844	1,299,103	—	2,166,273
Total Current Liabilities	8,801,332	60,088,590	9,119,864	7,385,861	2,816,052	—	88,211,699
Non-Current Liabilities:							
Capital leases payable	—	—	—	7,092	—	—	7,092
Interfund loan	—	—	—	2,073,727	—	—	2,073,727
Other post-employment benefits	—	—	—	1,395,257	—	—	1,395,257
Total Non-Current Liabilities	—	—	—	3,476,076	—	—	3,476,076
Total Liabilities	8,801,332	60,088,590	9,119,864	10,861,937	2,816,052	—	91,687,775
Net Position and Fund Balances:							
Net Position:							
Invested in capital assets, net of related debt	—	—	—	110,396,863	—	—	110,396,863
Held in trust for pension benefits and other purposes	—	—	—	—	—	7,130	7,130
Unrestricted (Deficit)	—	—	—	1,235,699	—	—	1,235,699
Fund Balances:							
Nonspendable	2,901,964	—	—	—	—	—	2,901,964
Restricted	2,429,060	19,463,467	106,874,617	—	—	—	128,767,144
Committed	70,213,932	—	—	—	—	—	70,213,932
Assigned	391,452	532,229	—	—	—	—	923,681
Unassigned (Deficit)	1,317,727	—	(3,420,380)	—	—	—	(2,102,653)
Total Net Position and Fund Balances	77,254,135	19,995,696	103,454,237	111,632,562	—	7,130	312,343,760
Total Liabilities, Net Position and Fund Balances	\$86,055,467	\$80,084,286	\$112,574,101	\$122,494,499	\$2,816,052	\$7,130	\$404,031,535

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Fund Types**

Schedule 4

**Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2012**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Memorandum Only
Revenues					
Taxes:					
Ad valorem	\$3,490,858	\$7,143,959	\$ ---	\$ ---	\$10,634,817
Sales and use	4,937,709	8,477,102	4,005,150	---	17,419,961
Other taxes, penalties, interest, etc.	116,199	---	---	---	116,199
Licenses and permits	1,205,267	---	---	---	1,205,267
Intergovernmental revenues:					
Federal grants	2,523,130	30,470,108	---	11,332,390	44,325,628
State funds:					
Parish transportation funds	---	270,018	---	---	270,018
State revenue sharing	23,100	47,277	---	---	70,377
Parish royalty fund	20,050,412	---	---	---	20,050,412
Other	2,358,947	225,571	---	1,003,685	3,588,203
Fees, charges and commissions for services	579,675	1,351,468	---	---	1,931,143
Fines and forfeitures	---	307,824	---	---	307,824
Use of money and property	21,566,584	21,231	---	30,112	21,617,927
Other	4,621,002	106,535	---	32,573	4,760,110
Total Revenues	61,472,883	48,421,093	4,005,150	12,398,760	126,297,886
Expenditures					
General government:					
Legislative	1,796,085	---	---	---	1,796,085
Judicial	5,158,171	149,866	---	---	5,308,037
Executive	3,678,862	---	---	---	3,678,862
Elections	143,665	---	---	---	143,665
Finance and administrative	4,709,427	---	---	---	4,709,427
Other	4,636,906	---	---	---	4,636,906
Public safety	1,522,582	8,322,236	---	---	9,844,818
Public works	8,970,086	42,199,093	---	25,935,890	77,105,069
Health and welfare	1,356,653	6,340,163	---	---	7,696,816
Culture and recreation	2,304,835	1,027,807	---	---	3,332,642
Economic development and assistance	1,448,981	---	---	---	1,448,981
Transportation	4,507,476	---	---	---	4,507,476
Debt service	---	---	4,205,150	---	4,205,150
Total Expenditures	40,233,729	58,039,165	4,205,150	25,935,890	128,413,934
Excess (Deficiency) of Revenues Over Expenditures	21,239,154	(9,618,072)	(200,000)	(13,537,130)	(2,116,048)
Other Financing Sources (Uses)					
Transfers in	211,238	16,602,214	200,000	5,762,880	22,776,332
Transfers out	(27,583,402)	(211,238)	---	---	(27,794,640)
Sale of capital assets	578,874	66,575	---	---	645,449
Proceeds from long-term bonds	---	---	---	87,507,168	87,507,168
Capital leases	23,934	---	---	---	23,934
Net Other Financing Sources (Uses)	(26,769,356)	16,457,551	200,000	93,270,048	83,158,243
Net Change in Fund Balance	(5,530,202)	6,839,479	---	79,732,918	81,042,195
Fund Balances at Beginning of Year	82,784,337	13,156,217	---	23,721,319	119,661,873
Fund Balances at End of Year	\$77,254,135	\$19,995,696	\$ ---	\$103,454,237	\$200,704,068

Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Fund Type-Enterprise Funds

Schedule 5

Combined Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2012

Operating Revenues	
Charges for services	\$7,877,424
Other	1,787,637
Total Operating Revenues	9,665,061
Operating Expenses	
Personal services	3,282,024
Contractual services, supplies, materials and other	12,996,767
Depreciation	4,096,264
Total Operating Expenses	20,375,055
Operating Loss	(10,709,994)
Non-Operating Revenues (Expenses)	
Interest revenue	51,962
Interest expense	(1,087)
Ad valorem taxes	3,988,288
Other	(45,841)
Net Non-Operating Revenues	3,993,322
Net Loss Before Contributions and Transfers	(6,716,672)
Capital Contributions	12,343,603
Transfers In	5,018,308
Changes In Net Position	10,645,239
Net Position-Beginning	100,987,323
Net Position-Ending	\$111,632,562

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Fund Type-Enterprise Funds**

Schedule 6

**Combined Schedule of Cash Flows
For the Year Ended December 31, 2012**

Cash Flows From Operating Activities:	
Cash received from customers	\$9,059,796
Cash payments for goods and services	(12,862,974)
Cash payments to employees	(3,034,365)
Net Cash Used by Operating Activities	(6,837,543)
Cash Flows From Non-Capital Financing Activities:	
Ad valorem tax collections	3,988,288
Other non-operating revenues	20,707
Operating transfers in	5,018,308
Payments on short-term loan from other funds	(1,679,157)
Net Cash Provided by Non-Capital Financing Activities	7,348,146
Cash Flows From Capital and Related Financing Activities:	
Acquisition/construction of capital assets	(409,904)
Decrease in intergovernmental receivables	(595,437)
Cash proceeds from sale of assets	450
Increase in contracts and retainage payable	(45,871)
Interest paid	(1,087)
Net Cash Used by Capital and Related Financing Activities	(1,051,849)
Cash Flows From Investing Activities:	
Interest received on time deposits	51,962
Payments for sales of investments	(1,196)
Net Cash Provided by Investing Activities	50,766
Net Decrease in Cash and Cash Equivalents	(490,480)
Cash and Cash Equivalents at Beginning of Year	5,302,575
Cash and Cash Equivalents at End of Year	\$4,812,095
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	(\$10,709,994)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	4,096,264
Change in assets and liabilities:	
Increase in receivables and other current assets	(604,670)
Increase in accounts payable	1,464,679
Decrease in other liabilities	(1,083,822)
Net Cash Used by Operating Activities	(\$6,837,543)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

SPECIAL REVENUE FUNDS

ROAD MAINTENANCE FUND

The Road Maintenance Fund accounts for the expenditures in connection with the maintenance and upkeep of the Parish's road system. Revenues of this fund are derived principally from ad valorem taxes and a state mowing and litter collection agreement as well as transfers from the General Fund.

PUBLIC HEALTH FUND

The Public Health Fund accounts for the expenditures in connection with the health and welfare of parish residents. Revenues of this fund are derived principally through ad valorem taxes and fees collected from Ambulance Services and Animal Control as well as transfers from the General Fund.

SOLID WASTE FUND

The Solid Waste Fund accounts for the operation of a parish-wide system for the collection and disposal of solid waste. Revenues of this fund are derived principally from ad valorem taxes and sanitation fees.

LIBRARY FUND

The Library Fund accounts for the costs of operating parish libraries, which are located in Buras, Port Sulphur and Belle Chasse. Revenues of this fund are derived principally from ad valorem taxes and library fines and fees.

TRANSPORTATION FUND

The Transportation Fund accounts for expenditures in connection with the maintenance and upkeep of the Parish's road system. Revenues of this fund are derived from the State of Louisiana through the Parish Transportation Fund. Use of this fund is restricted by Louisiana Revised Statute 48:753.

CRIMINAL COURT FUND

The Criminal Court Fund for the Twenty-Fifth Judicial District was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provide that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases, be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the Criminal Court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

JUDICIAL COURT REPORTER FUND

The Judicial Court Reporter Fund accounts for judicial fees collected by the Clerk of Court and remitted to the Parish for payment of court reporter costs.

DWI COURT ADMINISTERED FUND

The DWI Court Administered Fund accounts for fines collected by the sheriff's office and remitted to the Parish for the administration of a substance abuse center.

911 FUND

The 911 Fund accounts for the operations of a parish-wide 911 emergency system. Financing for this fund is derived primarily from fees collected from parish residents.

FIRE FIGHTING FUND

The Fire Fighting Fund accounts for the costs of operating paid fire departments within the Parish. Revenues of this fund are derived principally from dedicated sales tax collections.

FEMA MANAGEMENT FUND

The FEMA Management Fund accounts for Federal Emergency Management Agency funds related to disaster recovery efforts.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Special Revenue Funds**

Schedule 7

**Combining Balance Sheet
December 31, 2012**

Assets:

Cash and cash equivalents
Investments
Receivables (net of allowances for uncollectibles)
Due from other funds

Total Assets

Liabilities:

Accounts, salaries and other payables
Deferred revenues
Compensated absences payable
Deposits due others
Due to other funds
Other

Total Liabilities

Fund Balances:

Restricted
Assigned

Total Fund Balances

Total Liabilities and Fund Balances

Road Maintenance	Public Health	Solid Waste	Library	Transpor- tation	Criminal Court	Judicial Court Reporter	DWI Court Admin.	911	Fire Fighting	FEMA Management	Total
\$55,784	\$45,717	\$588,318	\$1,709,709	\$272,202	\$376,684	\$ ---	\$74,290	\$23,570	\$9,941,049	\$ ---	\$13,087,323
3,682	---	20,390	53,060	1,000	9,365	---	---	203	93,618	---	181,318
1,648,853	1,155,910	4,047,256	968,970	42,140	40,065	665	300	203,282	2,020,444	56,686,360	66,814,245
---	---	---	---	---	---	---	1,400	---	---	---	1,400
\$1,708,319	\$1,201,627	\$4,655,964	\$2,731,739	\$315,342	\$426,114	\$665	\$75,990	\$227,055	\$12,055,111	\$56,686,360	\$80,084,286
\$119,811	\$83,925	\$219,068	\$9,526	\$ ---	\$3,638	\$ ---	\$ ---	\$33,389	\$243,459	\$12,039,841	\$12,752,657
1,412,529	935,466	3,723,075	935,466	---	---	---	---	---	106,093	4,478,879	11,591,508
75,487	137,752	76,301	27,515	---	---	---	---	15,424	529	---	333,008
---	880	---	---	---	---	---	---	---	---	---	880
---	---	---	---	---	211,238	665	792	155,000	---	34,815,672	35,183,367
44,333	29,360	116,851	29,360	---	---	---	---	---	7,266	---	227,170
1,652,160	1,187,383	4,135,295	1,001,867	---	214,876	665	792	203,813	357,347	51,334,392	60,088,590
---	---	520,669	1,729,562	315,342	211,238	---	75,198	23,242	11,236,248	5,351,968	19,463,467
56,159	14,244	---	310	---	---	---	---	---	461,516	---	532,229
56,159	14,244	520,669	1,729,872	315,342	211,238	---	75,198	23,242	11,697,764	5,351,968	19,995,696
\$1,708,319	\$1,201,627	\$4,655,964	\$2,731,739	\$315,342	\$426,114	\$665	\$75,990	\$227,055	\$12,055,111	\$56,686,360	\$80,084,286

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Special Revenue Funds**

Schedule 8

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012**

Revenues

Taxes:

Ad valorem

Sales and use

Intergovernmental revenues:

Federal grants

State funds:

Parish transportation funds

State revenue sharing

Other

Fees, charges and commissions for services

Fines and forfeitures

Use of money and property

Other

Total Revenues

Expenditures

General government:

Judicial

Public safety

Public works

Health and welfare

Culture and recreation

Total Expenditures

Excess (Deficiency) of Revenues

Over Expenditures

Other Financing Sources (Uses)

Transfers in

Transfers out

Proceeds from sale of assets

Net Other Financing Sources (Uses)

Net Change in Fund Balance

Fund Balances at Beginning of Year

Fund Balances at End of Year

Road Maintenance	Public Health	Solid Waste	Library	Transpor- tation	Criminal Court	Judicial Court Reporter	DWI Court Admin.	911	Fire Fighting	FEMA Management	Total
\$1,440,201	\$953,825	\$3,796,108	\$953,825	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$7,143,959
---	---	---	---	---	---	---	---	---	8,477,102	---	8,477,102
59,336	217,110	110,189	3,574	---	---	---	---	157,310	1,380,209	28,542,380	30,470,108
---	---	---	---	270,018	---	---	---	---	---	---	270,018
9,534	6,312	25,119	6,312	---	---	---	---	---	---	---	47,277
182,340	3,532	---	16,185	---	---	---	---	23,514	---	---	225,571
---	364,242	707,013	---	---	12,530	---	---	266,699	984	---	1,351,468
---	---	---	10,131	---	294,443	---	3,250	---	---	---	307,824
1,253	694	4,667	4,586	145	868	---	37	---	8,981	---	21,231
---	10,924	10,490	3,442	---	---	---	---	---	81,679	---	106,535
1,692,664	1,556,639	4,653,586	998,055	270,163	295,311	12,530	3,287	447,523	9,948,955	28,542,380	48,421,093
---	---	---	---	---	137,089	12,530	247	---	---	---	149,866
---	---	---	---	---	---	---	---	---	8,322,236	---	8,322,236
3,531,341	---	4,309,954	---	125,639	---	---	---	---	---	34,232,159	42,199,093
---	5,561,025	---	---	---	---	---	---	779,138	---	---	6,340,163
---	---	---	1,027,807	---	---	---	---	---	---	---	1,027,807
3,531,341	5,561,025	4,309,954	1,027,807	125,639	137,089	12,530	247	779,138	8,322,236	34,232,159	58,039,165
(1,838,677)	(4,004,386)	343,632	(29,752)	144,524	158,222	---	3,040	(331,615)	1,626,719	(5,689,779)	(9,618,072)
1,846,361	3,997,860	---	---	---	---	---	---	331,615	---	10,426,378	16,602,214
---	---	---	---	---	(211,238)	---	---	---	---	---	(211,238)
48,475	450	---	---	---	---	---	---	---	17,650	---	66,575
1,894,836	3,998,310	---	---	---	(211,238)	---	---	331,615	17,650	10,426,378	16,457,551
56,159	(6,076)	343,632	(29,752)	144,524	(53,016)	---	3,040	---	1,644,369	4,736,599	6,839,479
---	20,320	177,037	1,759,624	170,818	264,254	---	72,158	23,242	10,053,395	615,369	13,156,217
\$56,159	\$14,244	\$520,669	\$1,729,872	\$315,342	\$211,238	\$ ---	\$75,198	\$23,242	\$11,697,764	\$5,351,968	\$19,995,696

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

DEBT SERVICE FUNDS

REVENUE ANTICIPATION NOTE, SERIES 2006 FUND

The Revenue Anticipation Note, Series 2006 Fund accumulates monies for the Community Disaster Loan dated August 7, 2006. Funding is provided by general revenues of the Parish government.

REVENUE BONDS, SERIES 2004 FUND

The Revenue Bonds, Series 2004 Fund accumulates monies for the Series 2004 Revenue Bonds dated March 1, 2004. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2005 FUND

The Revenue Bonds, Series 2005 Fund accumulates monies for the Series 2005 Revenue Bonds dated July 1, 2005. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2007 FUND

The Revenue Bonds, Series 2007 Fund accumulates monies for the Series 2007 Revenue Bonds dated September 1, 2007. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2009 FUND

The Revenue Bonds, Series 2009 Fund accumulates monies for the Series 2009 Revenue Bonds dated April 1, 2009. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2010A FUND

The Revenue Bonds, Series 2010A Fund accumulates monies for the Series 2010A Revenue Bonds dated October 1, 2010. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2010B FUND

The Revenue Bonds, Series 2010B Fund accumulates monies for the Series 2010B Revenue Bonds dated April 1, 2010. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Debt Service Funds**

Schedule 9

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012**

	Community Disaster Loan	Revenue Bonds						Total
		Series 2004	Series 2005	Series 2007	Series 2009	Series 2010A	Series 2010B	
Revenues								
Sales and use tax	\$ ---	\$1,183,544	\$380,618	\$393,198	\$907,000	\$881,621	\$259,169	\$4,005,150
Total Revenues	---	1,183,544	380,618	393,198	907,000	881,621	259,169	4,005,150
Expenditures								
Debt service:								
Principal retirement	---	1,095,000	215,000	185,000	380,000	100,000	70,000	2,045,000
Interest	200,000	88,294	165,368	207,998	526,850	781,421	188,969	2,158,900
Other	---	250	250	200	150	200	200	1,250
Total Expenditures	200,000	1,183,544	380,618	393,198	907,000	881,621	259,169	4,205,150
Excess of Revenues Over Expenditures	(200,000)	---	---	---	---	---	---	(200,000)
Other Financing Sources								
Transfers in	200,000	---	---	---	---	---	---	200,000
Net Other Financing Sources	200,000	---	---	---	---	---	---	200,000
Net Change in Fund Balance	---	---	---	---	---	---	---	---
Fund Balances at Beginning of Year	---	---	---	---	---	---	---	---
Fund Balances at End of Year	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

CAPITAL PROJECTS FUNDS

1999 GENERAL OBLIGATION BOND CONSTRUCTION FUND (WATER AND SEWER PROJECTS)

The 1999 General Obligation Bond Construction Fund, Water and Sewer Projects is used for parishwide water and sewer improvements. Financing is being provided from the unexpended proceeds of the \$10,000,000 in general obligation bonds issued on December 11, 1991.

2004 REVENUE BOND CONSTRUCTION FUND (SEWER PROJECTS)

The 2004 Revenue Bond Construction Fund, Sewer Projects is used for parishwide sewer improvements. Financing is being provided from the unexpended proceeds of the \$10,000,000 in revenue bonds issued on March 1, 2004.

2005 / 2007 REVENUE BOND CONSTRUCTION FUND (WEST FIRST STREET CANAL PROJECT)

The 2005 / 2007 Revenue Bond Construction Fund is used for the West First Street Canal Drainage project. Financing is being provided from the unexpended proceeds of the \$10,300,000 in revenue bonds.

2009 REVENUE BOND CONSTRUCTION FUND (OLLIE PUMP STATION PROJECT)

The 2009 Revenue Bond Construction Fund is used for constructing and acquiring drainage and pumping facilities. Financing is being provided from the unexpended proceeds of the \$11,850,000 in revenue bonds.

2010A REVENUE BOND CONSTRUCTION FUND (EAST BANK LEVEE PROJECT)

The 2010A Revenue Bond Construction Fund is used for constructing and improving levees and levee drainage facilities for the East Bank area. Financing is being provided from the unexpended proceeds of the \$18,000,000 in revenue bonds.

2010B REVENUE BOND CONSTRUCTION FUND (BELLE CHASSE SEWER TREATMENT PROJECT)

The 2010B Revenue Bond Construction Fund is used for constructing and improving wastewater treatment facilities in Belle Chasse. Financing is being provided from the unexpended proceeds of the \$5,000,000 in revenue bonds.

2012A REVENUE BOND CONSTRUCTION FUND (COASTAL RESTORATION PROJECTS)

The 2012A Revenue Bond Construction Fund is used for the planning, acquisition, constructing and improving of coastal restoration projects. Financing is being provided from the unexpended proceeds of the \$58,280,000 in revenue bonds.

2012B REVENUE BOND CONSTRUCTION FUND (COURTHOUSE PROJECT)

The 2012B Revenue Bond Construction Fund is used for the planning, acquisition and construction of a new courthouse and related infrastructure. Financing is being provided from the unexpended proceeds of the \$25,000,000 in revenue bonds.

LCDBG-VENICE SHIPYARD

The LCDBG Venice Shipyard Fund is used to account for the improvements of Venice Shipyard. Financing is being provided through the Louisiana Community Development Block Grant federal award.

LCDBG-OYSTER CONVEYORS

The LCDBG Oyster Conveyor Fund is used to account for the construction of oyster conveyors. Financing is being provided through the Louisiana Community Development Block Grant federal award.

LCDBG-OYSTER PROCESSING

The LCDBG Oyster Processing Fund is used to account for the construction of an oyster processing plant. Financing is being provided through the Louisiana Community Development Block Grant federal award.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

CAPITAL PROJECTS FUNDS (CONT)

LRA PROJECTS

The Louisiana Recovery Authority Fund is used to account for various capital improvements throughout the parish. Financing is being provided through the Louisiana Recovery Authority federal awards.

LCDBG-IKE/GUSTAV RECOVERY

The LCDBG Ike/Gustav Recovery Fund is used to account for the recovery from damages suffered from Hurricanes Ike and Gustav. Financing is being provided through the Louisiana Community Development Block Grant federal award.

LCDBG PROJECTS

The LCDBG Projects Fund is used to account for the projects whose financing is being provided through the Louisiana Community Development Block Grant federal award.

CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund is used to account for the purchase or construction of various major capital facilities or equipment, which are being financed from the General Fund.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Capital Projects Funds**

Schedule 10

**Combining Balance Sheet
December 31, 2012**

Assets:
Cash and cash equivalents
Investments
Receivables (net of allowances for uncollectibles)
Due from other funds

Total Assets

Liabilities:
Accounts, salaries and other payables
Deferred revenues
Due to other funds

Total Liabilities

Fund Balances:
Restricted
Unassigned (Deficit)

Total Fund Balances (Deficit)

Total Liabilities and Fund Balances

GO Bonds Series 1999 Waterworks & Sewer Projects	Revenue Bonds							Federal Projects					Capital Improvements	Total
	Series 2004 Sewer Projects	Series 2005/2007 Canal Imp	Series 2009 Ollie Pump	Series 2010A EB Levee	Series 2010B BC WWTP	Series 2012A Coastal Restorations	Series 2012B Courthouse	LCDBG- Oyster Conveyors	LCDBG- Oyster Processing	LRA Projects	LCDBG/HUD- Ike & Gustav Recovery	LCDBG Projects		
\$5,375	\$1,115,821	\$524,404	\$944,556	\$16,025,723	\$391,026	\$59,673,574	\$24,914,984	\$---	\$---	\$---	\$---	\$---	\$---	\$103,595,463
331,512	2,899,715	---	---	728	1,075,361	---	---	---	---	---	---	---	---	4,307,316
---	---	---	---	---	---	---	---	218	2,000	4,528,785	72	58,368	---	4,589,443
---	81,737	33	45	64	---	---	---	---	---	---	---	---	---	81,879
\$336,887	\$4,097,273	\$524,437	\$944,601	\$16,026,515	\$1,466,387	\$59,673,574	\$24,914,984	\$218	\$2,000	\$4,528,785	\$72	\$58,368	\$---	\$112,574,101
\$40,460	\$233,598	\$---	\$---	\$148,253	\$205,795	\$---	\$---	\$---	\$---	\$1,203,136	\$---	\$33,129	\$---	\$1,864,371
---	---	---	---	---	---	---	---	---	---	803,139	---	58,368	---	3,420,380
1,021	142	25,415	271,102	15,900	130,878	37,477	---	218	2,000	3,325,649	72	25,239	2,558,873	3,835,113
41,481	233,740	25,415	271,102	164,153	336,673	37,477	---	218	2,000	5,331,924	72	116,736	2,558,873	9,119,864
295,406	3,863,533	499,022	673,499	15,862,362	1,129,714	59,636,097	24,914,984	---	---	---	---	---	---	106,874,617
---	---	---	---	---	---	---	---	---	---	(803,139)	---	(58,368)	(2,558,873)	(3,420,380)
295,406	3,863,533	499,022	673,499	15,862,362	1,129,714	59,636,097	24,914,984	---	---	(803,139)	---	(58,368)	(2,558,873)	103,454,237
\$336,887	\$4,097,273	\$524,437	\$944,601	\$16,026,515	\$1,466,387	\$59,673,574	\$24,914,984	\$218	\$2,000	\$4,528,785	\$72	\$58,368	\$---	\$112,574,101

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Capital Projects Funds**

Schedule 11

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012**

Revenues

Intergovernmental revenue:
Federal grants
State funds:
Other
Use of money and property
Other

Total Revenues

Expenditures

Public works

**Excess (Deficiency) of Revenues
Over Expenditures**

Other Financing Sources

Transfers in
Transfers out
Proceeds from long-term bonds

Net Other Financing Sources

Net Change in Fund Balance

Fund Balances (Deficit) at Beginning of Year

Fund Balances (Deficit) at End of Year

GO Bonds Series 1999 Waterworks & Sewer Projects	Revenue Bonds							Federal Projects						Capital Improvements	Total
	Series 2004 Sewer Projects	Series 2005/2007 Canal Imp	Series 2009 Ollie Pump	Series 2010A EB Levee	Series 2010B BC WWTP	Series 2012A Coastal Restorations	Series 2012B Courthouse	LCDBG- Oyster Conveyors	LCDBG- Venice Shipyard	LCDBG- Oyster Processing	LRA Projects	LCDBG/HUD- Ike & Gustav Recovery	LCDBG Project		
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,253	(\$16,990)	\$ ---	\$ 7,156,927	\$ 73	\$ ---	\$ 4,191,127	\$ 11,332,390
---	---	---	---	---	---	---	---	---	---	---	---	---	---	1,003,685	1,003,685
483	4,287	495	1,178	17,952	3,598	2,092	27	---	---	---	---	---	---	---	30,112
---	---	---	---	---	---	---	---	---	---	---	---	---	---	32,573	32,573
483	4,287	495	1,178	17,952	3,598	2,092	27	1,253	(16,990)	---	7,156,927	73	---	5,227,385	12,398,760
225	4,767	914	653,533	2,095,055	2,112,856	2,192,703	765,503	1,497	244	244	7,307,996	282	85,668	10,714,403	25,935,890
258	(480)	(419)	(652,355)	(2,077,103)	(2,109,258)	(2,190,611)	(765,476)	(244)	(17,234)	(244)	(151,069)	(209)	(85,668)	(5,487,018)	(13,537,130)
---	---	---	---	---	---	---	---	244	17,234	244	86,506	209	27,300	5,631,143	5,762,880
---	---	---	---	---	---	61,826,708	25,680,460	---	---	---	---	---	---	---	87,507,168
---	---	---	---	---	---	61,826,708	25,680,460	244	17,234	244	86,506	209	27,300	5,631,143	93,270,048
258	(480)	(419)	(652,355)	(2,077,103)	(2,109,258)	59,636,097	24,914,984	---	---	---	(64,563)	---	(58,368)	144,125	79,732,918
295,148	3,864,013	499,441	1,325,854	17,939,465	3,238,972	---	---	---	---	---	(738,576)	---	---	(2,702,998)	23,721,319
\$295,406	\$3,863,533	\$499,022	\$673,499	\$15,862,362	\$1,129,714	\$59,636,097	\$24,914,984	\$ ---	\$ ---	\$ ---	(\$803,139)	\$ ---	(\$58,368)	(\$2,558,873)	\$103,454,237

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2012

ENTERPRISE FUNDS

WATER AND SEWER FUND

The Water and Sewer Fund accounts for the operations of the water and sewer systems of the Parish. Water and sewer plants are located at various locations throughout the parish.

PORT HARBOR AND TERMINAL DISTRICT FUND

The Port, Harbor and Terminal District Fund accounts for the operations of the Parish's Port, Harbor and Terminal District.

BOAT HARBORS AND SHIPYARDS FUND

The Boat Harbors and Shipyards Fund accounts for the maintenance and upkeep of the Parish's boat harbors, boatways, shipyards and oyster docks. Boat Harbors are located at Buras, Venice, Pointe a la Hache and Empire. Shipyards are located at Empire, Venice and Pointe a la Hache. Oyster docks are located in Empire, Buras and Pointe a la Hache.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 12

**Combining Schedule of Net Position
December 31, 2012**

	Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$---	\$4,715,586	\$96,509	\$4,812,095
Investments	---	825,732	---	825,732
Receivables (net of allowance for uncollectibles)	4,618,831	1,625,971	126,872	6,371,674
Prepaid items	1,952	86,183	---	88,135
Total Current Assets	4,620,783	7,253,472	223,381	12,097,636
Non-Current Assets:				
Net capital assets, being depreciated				
Buildings	23,953,449	5,470,677	---	29,424,126
Improvements other than buildings	50,232,394	474,270	16,683,844	67,390,508
Machinery and equipment	2,382,667	6,159,505	907,715	9,449,887
Less accumulated depreciation	(51,998,676)	(4,423,186)	(2,039,398)	(58,461,260)
Net capital assets, not being depreciated				
Land	52,000	---	---	52,000
Construction in progress	46,265,703	247,821	16,028,078	62,541,602
Total Non-Current Assets	70,887,537	7,929,087	31,580,239	110,396,863
Total Assets	\$75,508,320	\$15,182,559	\$31,803,620	\$122,494,499
Liabilities:				
Current Liabilities:				
Cash overdraft	\$3,724,143	\$---	\$---	\$3,724,143
Accounts, salaries and other payables	1,470,254	116,798	5,890	1,592,942
Capital leases payable	1,635	1,999	---	3,634
Compensated absences payable	10,729	102,787	15,677	129,193
Due to other funds	---	1,363,105	60,000	1,423,105
Other	512,844	---	---	512,844
Total Current Liabilities	5,719,605	1,584,689	81,567	7,385,861
Non-Current Liabilities:				
Capital leases payable	---	7,092	---	7,092
Interfund loan	2,073,727	---	---	2,073,727
Other post-employment benefits payable	305,245	799,947	290,065	1,395,257
Total Non-Current Liabilities	2,378,972	807,039	290,065	3,476,076
Total Liabilities	8,098,577	2,391,728	371,632	10,861,937
Net Position:				
Invested in capital assets, net of related debt	70,887,537	7,929,087	31,580,239	110,396,863
Unrestricted (Deficit)	(3,477,794)	4,861,744	(148,251)	1,235,699
Total Net Position	67,409,743	12,790,831	31,431,988	111,632,562
Total Liabilities and Net Position	\$75,508,320	\$15,182,559	\$31,803,620	\$122,494,499

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 13

**Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2012**

	Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
Operating Revenues				
Charges for services	\$3,450,951	\$4,121,535	\$304,938	\$7,877,424
Other	45,492	1,649,156	92,989	1,787,637
Total Operating Revenues	3,496,443	5,770,691	397,927	9,665,061
Operating Expenses				
Personal services	514,303	2,249,327	518,394	3,282,024
Contractual services, supplies, materials and other	10,815,034	1,844,929	336,804	12,996,767
Depreciation	2,885,411	538,396	672,457	4,096,264
Total Operating Expenses	14,214,748	4,632,652	1,527,655	20,375,055
Operating Income (Loss)	(10,718,305)	1,138,039	(1,129,728)	(10,709,994)
Non-Operating Revenues (Expenses)				
Interest revenue	2,781	49,181	---	51,962
Interest expense	(284)	(803)	---	(1,087)
Ad valorem taxes	3,988,288	---	---	3,988,288
Other	(44,118)	(10,723)	9,000	(45,841)
Net Non-Operating Revenues	3,946,667	37,655	9,000	3,993,322
Net Income (Loss) Before Contributions and Transfers	(6,771,638)	1,175,694	(1,120,728)	(6,716,672)
Capital Contributions	5,949,717	57,343	6,336,543	12,343,603
Transfers In	4,535,793	---	482,515	5,018,308
Changes In Net Position	3,713,872	1,233,037	5,698,330	10,645,239
Net Position-Beginning	63,695,871	11,557,794	25,733,658	100,987,323
Net Position-Ending	\$67,409,743	\$12,790,831	\$31,431,988	\$111,632,562

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 14

**Combining Schedule of Cash Flows
For the Year Ended December 31, 2012**

	Water and Sewer	Port, Harbor and Terminal	Boat Harbors and Shipyards	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$3,074,423	\$5,595,717	\$389,656	\$9,059,796
Cash payments for goods and services	(10,700,466)	(1,829,539)	(332,969)	(12,862,974)
Cash payments to employees	(470,290)	(2,082,546)	(481,529)	(3,034,365)
Net Cash Provided (Used) by Operating Activities	(8,096,333)	1,683,632	(424,842)	(6,837,543)
Cash Flows From Non-Capital Financing Activities:				
Ad valorem tax collections	3,988,288	---	---	3,988,288
Other non-operating revenues	11,707	---	9,000	20,707
Operating transfers in	4,535,793	---	482,515	5,018,308
Proceeds (payments) of short-term loan from other funds	---	(1,679,157)	---	(1,679,157)
Net Cash Provided (Used) by Non-Capital Financing Activities	8,535,788	(1,679,157)	491,515	7,348,146
Cash Flows From Capital and Related Financing Activities:				
Acquisition/construction of capital assets	(319,989)	(89,915)	---	(409,904)
Decrease in intergovernmental receivables	(76,542)	(518,895)	---	(595,437)
Cash proceeds from sale of assets	450	---	---	450
Increase in contracts and retainage payable	(45,871)	---	---	(45,871)
Interest paid	(284)	(803)	---	(1,087)
Net Cash Used by Capital and Related Financing Activities	(442,236)	(609,613)	---	(1,051,849)
Cash Flows From Investing Activities:				
Interest received on time deposits	2,781	49,181	---	51,962
Payments for sales of investments	---	(1,196)	---	(1,196)
Net Cash Provided by Investing Activities	2,781	47,985	---	50,766
Net Increase (Decrease) in Cash and Cash Equivalents	---	(557,153)	66,673	(490,480)
Cash and Cash Equivalents at Beginning of Year	---	5,272,739	29,836	5,302,575
Cash and Cash Equivalents at End of Year	\$---	\$4,715,586	\$96,509	\$4,812,095
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(\$10,718,305)	\$1,138,039	(\$1,129,728)	(\$10,709,994)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,885,411	538,396	672,457	4,096,264
Change in assets and liabilities:				
Increase in receivables and other current assets	(421,425)	(174,974)	(8,271)	(604,670)
Increase in accounts payable	1,446,362	14,482	3,835	1,464,679
Increase (decrease) in other liabilities	(1,288,376)	167,689	36,865	(1,083,822)
Net Cash Provided (Used) by Operating Activities	(8,096,333)	\$1,683,632	(\$424,842)	(\$6,837,543)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year December 31, 2012

FIDUCIARY FUNDS

AGENCY FUNDS

SALES TAX FUND

The Sales Tax Fund accounts for the collection and distribution of the Plaquemines Parish's 4 percent sales and use tax. Two percent of these funds is dedicated to the Plaquemines Parish School Board. The Parish is the collecting agent for the tax and remits to the School Board its pro rata share of the tax less one-half of the collection expenses. The Parish's sales tax ordinances provides that the proceeds can be used for general governmental expenses, for providing public services and facilities in the parish and providing for the operations of a paid fire department.

PERMANENT FUNDS

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund accounts for the contributions and withdrawals by parish employees who participate in the deferred compensation plan created and organized in accordance with Internal Revenue Code Section 457. The plan is administered by a third party--the Commonwealth Annuity and Life Insurance Company. The plan, which is available to all employees, permits employees to defer the income tax on a portion of their salaries until future years.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Fiduciary Funds**

Schedule 15

**Combining Schedule of Fiduciary Net Position
December 31, 2012**

	Sales Tax	Deferred Compensation	Total
Assets			
Cash and cash equivalents	\$2,736,190	\$7,130	\$2,743,320
Investments (fair value)			
Local government investment pool	79,862	---	79,862
Total Assets	\$2,816,052	\$7,130	\$2,823,182
Liabilities			
Deposits due others	\$1,516,949	\$---	\$1,516,949
Other	1,299,103	---	1,299,103
Total Liabilities	2,816,052	---	2,816,052
Net Position			
Held in trust for pension benefits and other purposes	---	7,130	7,130
Total Liabilities and Net Position	\$2,816,052	\$7,130	\$2,823,182

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Fiduciary Funds**

Schedule 16

**Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2012**

	Deferred Compensation
Additions	
Contributions:	
Plan members	\$4,250
Investment Earnings:	
Net increase in the fair value of investments	166
Total Additions	4,416
Deductions	
Withdrawals	30
Total Deductions	30
Change in Net Position	4,386
Net Position-Beginning	2,744
Net Position-Ending	\$7,130

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 2012

COMPENSATION PAID TO COUNCIL MEMBERS AND PARISH PRESIDENT

The schedule of compensation paid council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Article IV, Section 4.07 of the Plaquemines Parish Charter for Local Self-Government, as amended, the members of the council receive \$35,000 per year, payable monthly, except for the Chairperson who receives \$36,000.

Compensation paid the parish president is included in executive expenditures of the General Fund. In accordance with the Plaquemines Parish Government's Charter for Local Self-Government, Section 3.09, the president's salary is \$100,000 per year, payable monthly.

FEDERALLY ASSISTED PROGRAMS

In accordance with the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, a schedule of expenditures of federal awards is presented.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 17

**Schedule of Compensation Paid to Council Members and Parish President
For the Year Ended December 31, 2012**

Position/Name	Annual Salary
Parish President	
William Nungesser	\$100,000
Council Members	
District 1 Percy V Griffin	35,000
District 2 Warren K. Hinkley	35,000
District 3 Kirk Lepine	35,000
District 4 Stuart Guey	35,000
District 5 Anthony L. Buras, Jr.	35,000
District 6 Burghart H. Turner	35,000
District 7 Jeff Edgcombe	35,000
District 8 Byron Marinovich, Chairperson	36,000
District 9 Marla F. Cooper, Vice Chairperson	35,000
	316,000
Total	\$416,000

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 18

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor or Cluster Title	Federal CFDA Number	Identification	Federal Expenditures
United States Department of Agriculture			
Passed through Second Harvesters Food Bank of Greater New Orleans-Food Distribution	10.565	NONE	\$38,899
United States Department of Health and Human Services			
Passed through Louisiana Department of Labor-Community Services Block Grant	93.569	CSBG	69,343
Passed through Louisiana Housing Finance Agency-Low-Income Home Energy Assistance	93.568	2011 DHHS	227,137
Passed through Louisiana Department of Health and Hospitals:			
National Bioterrorism Hospital Preparedness Program	93.889	10-11 HPP	10,734
Public Health Emergency Preparedness	93.069	CFMS-696613	17,308
Passed through State of Louisiana Supreme Court-Drug Court Program:			
Temporary Assistance for Needy Families	93.558	LCLE B82-8-130	64,394
Direct Award:			
Early Retiree Reinsurance Program	93.546	2020000216	136,179
Total United States Department of Health and Human Services			525,095
United States Department of Defense			
Direct Award:			
Estuary Habitat Restoration Program	12.130	96-3122-0-0-0	149,495
Total United States Department of Defense			149,495
United States Department of the Interior			
Direct Awards:			
Payments in-Lieu-of Taxes (Public Law 95-469)	NONE	NONE	12,856
Payments in-Lieu-of Taxes (Public Law 97-258)	15.226	NONE	25,359
Coastal Impact Assistance Program:	15.426		
Fringe Marsh Repair		M09AF16086	502,142
Jump Basin Dredging and Marsh Creation Planning		M10AF20074	265,865
Update of the Plaquemines Parish Coastal Management Plan		M10AF20124	176,100
Total Coastal Impact Assistance Program			944,107
Total United States Department of the Interior			982,322
United States Department of Transportation			
Direct Awards:			
Federal Transit Formula Grants:			
Equipment and Preventive Maintenance	20.507	LA-90-X342-00	99,109
Transportation Improvement Program	20.507	LA-90-X379-00	22,996
Highway Planning and Construction Cluster			
Passed through Louisiana Department of Transportation and Development			
Highway Planning and Construction	20.205	742-38-0006	561,057
Passed through Louisiana Office of State Parks/Department of Culture, Recreation and Tourism			
Recreation Trails Program	20.219	None	49,393
Total Federal Highway Planning and Construction Cluster			610,450
Passed through Louisiana Department of Transportation and Development			
Federal Transit-Capital Investment Grants	20.509	741-38-0107	350,899
Total United States Department of Transportation			1,083,454
Office of Homeland Security/Federal Emergency Management Agency			
Direct Awards:			
Staffing for Adequate Fire and Emergency Response (Safer Act)	97.083	EMW-2008-FF-00617	1,068,779
ARRA-Port Security Grant Program	97.116	2009-PU-R1-0209	557,044
Passed through Louisiana Office of Homeland Security and Emergency Preparedness:			
Port Security Program	97.056	2006-GB-T6-0004	372,482
Port Security Security System System Upgrade	97.056	2007-GB-T7-K273	30,074
Port Equipment Maintenance	97.056	2007-GB-T7-K273	313,356
Hazard Mitigation Grant Program:	97.039		
Wind Retrofit Project		HMGP #1603-075-0003	682,774
Fuel Tank Stations Retrofit		HMGP #1603-075-0006	7,333
Drainage-Engineers Road/Cazalard		HMGP #1603-075-0009	18,000
Total Hazard Mitigation Grant Program			708,107

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 18

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012**

Federal Grantor/ Pass-Through Grantor or Cluster Title	Federal CFDA Number	Identification	Federal Expenditures
Public Assistance Grants:	97.067		
Urban Area Security Initiative-FY 09		UASI-FY09	147,160
Urban Area Security Initiative-FY 10		UASI-FY10	263,002
State Homeland Security Program-FY 09		SHSP-FY09	9,565
State Homeland Security Program-FY 10		SHSP-FY10	76,567
State Homeland Security Program-FY 11		SHSP-FY11	32,845
Citizens Corps Program-FY 10		CCP-FY10	8,618
Inoperable Emergency Communications:			
Interoperable Emergency Communications Grant Program-FY10	97.055	IECGP-FY10	13,788
Total Public Assistance Grants			551,545
Passed through Louisiana Office of Public Assistance:			
Disaster Grants-Public Assistance-Presidentially Declared Disasters:	97.036		
Hurricane Katrina		PA-1603	12,496,903
Hurricane Gustav		PA-1603	89,463
Hurricane Ike		PA-1603	60,068
Hurricane Isaac		PA-1604	17,969,498
Total Disaster Grants-Public Assistance-Presidentially Declared Disasters			30,615,932
Total United States Federal Emergency Management Agency			34,217,319
United States Department of Housing and Urban Development			
Passed through Louisiana Office of Community Development-Disaster Recovery			
Community Development Block Grants:	14.228		
Oyster Conveyors/Boat Harbor Upgrade		IFIS-00009	1,497
Venice Shipyard-Fishery Infrastructure		IFIS-00014	244
Oyster Processing Facility-Fisheries Infrastructure Recovery		IFIS-00011	244
Tidewater Road Drainage Infrastructure		ILTR-00143	6,481,567
Replacement and Upgrade of Curbs and Sidewalks		ILTR-00169	634,345
Pump Station and Quiet Rooms		ILTR-00160	8,196
Government Complex		ILTR-00223	11,455
Consolidated Warehouse Facility		ILTR-00230	190,017
Parks and Recreation-Engineering District 7		ILTR-00244	2,331
Sewer Improvements-English Turn		LTCCR-00247	7,578
Parks and Recreation-Port Sulphur		ILTR-00246	8,532
Disaster Recovery Funding		CFMS-664786	85,668
Hurricanes Ike/Gustav Recovery		CFMS-692010	282
Total United States Department of Housing and Urban Development			7,431,956
United States Department of Justice			
Passed through Louisiana Commission on Law Enforcement:			
Violence Against Women Act Court Training and Improvement Grants	16.013	M08-7-004	14,052
Juvenile Accountability Block Grant Program	16.523	A09-8-034	10,797
Total United States Department of Justice			24,849
United States Department of Commerce			
Passed through Louisiana Office of Coastal Restoration and Management - Coastal Zone Management			
Administrative Awards	11.419	2515-10	28,208
Total Issues/Expenditures			\$44,481,597

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Plaquemines Parish Government (the Parish). The Parish reporting entity is defined in Note 1 to the financial statements for the year ended [December 31, 2012](#). All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The two major federal programs for the Parish are as follows:

Office of Homeland Security/Federal Emergency Management Agency
Disaster Grants-Public Assistance-Presidentially Declared Disasters (CFDA No. 97.036)
Public Assistance Grants (CFDA No. 97.067):
 Urban Area Security Initiative-FY 09
 Urban Area Security Initiative-FY 10
 State Homeland Security Program-FY 09
 State Homeland Security Program-FY 10
 State Homeland Security Program-FY 11
 Citizens Corps Program-FY 10

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

OFFICE OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT
AGENCY FUNDING

Amounts reported in the Schedule of Expenditures of Federal Awards for Office of Homeland Security/Federal Emergency Management Agency funding do not agree with the amounts reported in the related financial reports. The financial reports include adjustments to current year federal expenditures due to the Office of Homeland Security and Emergency Preparedness funding work done in prior periods; however, the funds were received in the current year. The adjustment for the year ended December 31, 2008 was an increase of \$449,239.

**Reports and Schedules Required by *Government
Auditing Standards* and OMB Circular A-133**

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Victor R. Slaven, CPA*
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Tynes E. Mixon, Jr., CPA 2011
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Plaquemines Parish Council
Plaquemines Parish
Pointe a la Hache, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plaquemines Parish Government (hereinafter "Parish"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 27, 2013. Our report expressed an adverse opinion on the aggregate discretely presented component units because the financial statements do not include financial data for the Parish's legally separate component units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned cost (Exhibit C), we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Parish's financial statements will not be prevented, or detected and corrected on a timely basis. We consider

the deficiencies described as item 2012-1 and 2012-2 in the accompanying schedule of findings and questioned cost to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Parish's Response to Findings

The Parish's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings (Exhibit E). The Parish's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parish's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 27, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Plaquemines Parish Council
Plaquemines Parish
Pointe a la Hache, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of Plaquemines Parish Government (hereinafter "Parish") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Parish's major federal programs for the year ended December 31, 2012. The Parish's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs (Exhibit C).

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Parish's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Parish's compliance.

Opinion on Each Major Federal Program

In our opinion, the Parish complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs (Exhibit C) as item 2012-3. Our opinion on each major federal program is not modified with respect to this matter.

The Parish's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan for current year findings (Exhibit E). The Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Parish is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to previously. In planning and performing our audit, we considered the Parish's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and question costs as item 2012-3 to be a material weakness.

The Parish's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan for current year findings (Exhibit E). The Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB circular A-133. Accordingly, this report is not suitable for any other purpose.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 27, 2013

Schedule of Findings and Questioned Costs

(Exhibit C)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Part I. Summary of Auditor's Results:

1. Unmodified opinions have been issued on the financial statements of the Parish's governmental activities, business-type activities, each major fund (General Fund, Road Maintenance Fund, Public Health Fund, Solid Waste Fund, Firefighting Fund, FEMA Management Fund, Series 2012A-Coastal Restorations Fund, and Capital Improvements Fund), and the aggregate remaining fund information. Since the Parish issues only primary government financial statements, an adverse opinion has also been issued on the financial statements of the aggregate discretely presented components.
2. Two (2) material weaknesses in internal control were disclosed during the audit of the financial statements and are reported in Part II of this schedule.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A material weakness in internal control over the major federal award programs is reported in Part III of this schedule.
5. The auditor's report on compliance for the Parish's major federal award programs identified below expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 are included in this schedule.
7. The following programs were considered to be major programs:
 - U.S. Department of Homeland Security:
 - Disaster Grants - Public Assistance - Presidentially Declared Disasters (CFDA No. 97.036)
 - Homeland Security Grant Program (CFDA No. 97.067)
8. The threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$1,334,448.
9. The Parish did not qualify as a low-risk auditee under Section 530 of Circular A-133.
10. A management letter was not issued.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2012

Part II. Findings required to be reported in accordance with *Government Auditing Standards*:

A. Internal Control –

2012-1 Improper Revenue Recognition

CONDITION Subsequent reviews of requests for reimbursement of expenses under certain federal programs were not performed prior to the recognition of the related revenue resulting in the recognition of revenue in a manner inconsistent with requirements of the Governmental Accounting Standards Board.

BASIS FOR CONCLUSION / CRITERIA Internal control is defined as a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Parish's system of controls over financial reporting should include those policies and procedures that pertain to the Parish's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

Under the modified accrual basis of accounting, revenues are recognized in the fund financial statements when susceptible to accrual, that is, when both measureable and available. Generally, "available" means collectible within the current period or soon enough thereafter to pay expenditures of the current period or in accordance with the Parish's revenue recognition policy. In this case, the Parish recognizes revenue if collected within 60 days after year-end. For certain federal programs, requests for reimbursement of expenses have been made and the related revenue recognized, but the amounts requested were not received within the 60 day period. Since collection has not been within 60 days of year-end, the Parish has inappropriately recognized those revenues.

CAUSE The cause of the condition is the failure in the operation of the control to monitor submitted, but uncollected, request for reimbursement against recorded revenue.

EFFECT Failure to defer revenues not collected in accordance with the Parish's revenue recognition policy resulted in an overstatement of reported revenue.

RECOMMENDATION We recommend that the Parish review submitted, but uncollected, request for reimbursement prior to recognizing the related revenue in accordance with the modified accrual basis of accounting.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2012

2012-2 Capital Asset Listing

CONDITION Assets were omitted from the Parish's inventory of capital assets.

BASIS FOR CONCLUSION / CRITERIA Internal control is defined as a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Parish's system of controls over financial reporting should include those policies and procedures that pertain to the Parish's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE The cause of the condition is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT Failure to implement policies and procedures necessary to ensure the inclusion of all Parish assets on its inventory of capital assets could result in a misappropriation of assets.

RECOMMENDATION We recommend that the Parish design and implement policies and procedures which ensures the completeness of the Parish's inventory of capital assets.

B. Compliance –

There were no findings to be reported under this section.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2012

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

2012-3 Suspension and Debarment

Department of Homeland Security
CFDA 97.067 Homeland Security Grant

Questioned Costs: none

CONDITION Verification procedures for suspension and debarment were not performed for expenditures made to professional service contractors/vendors.

CRITERIA The Office of Management and Budget's Common Rule, *Uniform Requirements for Grants and Cooperative Agreements to State and Local Governments*, Section 35 states "Grantees and subgrantees must not make any award or permit any award at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 (Debarment and Suspension)."

CAUSE The condition results from a failure to comply with federal regulations.

EFFECT Failure to verify that a contractor/vendor is not debarred or suspended places the Parish in violation of federal regulations and may result in questioned costs provided payments are made to contractors/vendors who have been debarred or suspended. None of the four (4) professional service contractors/vendors were subsequently determined to be suspended or debarred on the Excluded Parties List System (EPLS).

POPULATION AND SAMPLE SIZE A sample of 5 expenditures totaling \$294,170 was selected from a population of 51 expenditures totaling \$507,115. Four (4) of the five (5) expenditures were made to professional service contractors/vendors. Suspension/debarment status was not verified on all four (4) of the expenditures to professional service contractors/vendors.

RECOMMENDATION We recommend that the Parish institute policies and procedures to determine the debarment/suspension status of professional service contractors/vendors during the procurement process.

Summary Schedule of Prior Audit Findings

(Exhibit D)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2012

A. Internal Control –

2011-1 Revenue Recognition

CONDITION Reviews of requests for reimbursement of expenses under certain federal programs were not performed prior to the recognition of the related revenue.

RECOMMENDATION We recommend that the Parish review submitted, but uncollected, request for reimbursement prior to recognizing the related revenue.

CURRENT STATUS See schedule of Findings and Questioned Costs item 2012-1.

B. Compliance –

2011-2 Local Government Budget Act

CONDITION The Parish did not adopt, prior to the thirtieth day of the fiscal year for which the budget is to be applicable, e.g. January 30, 2011, a comprehensive operating budget for the general fund and each special revenue fund.

RECOMMENDATION We recommend that the Parish provide for the adoption of a comprehensive operating budget for the general fund and each special revenue fund within the time constraints imposed by the Local Government Budget Act (RS 39:1302(A)) and Section 7.02(A) of the Parish's "Charter of Local Self-Government"

CURRENT STATUS Finding has been resolved.

Corrective Action Plan for Current Year Findings

(Exhibit E)

Plaquemines Parish Government

BILLY NUNGESSER

Parish President

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June 27, 2013

Gerald A. Thibodeaux, Jr., CPA
Kolder, Champagne, Slaven & Company, LLC
1234 David Drive, Suite 203
Morgan City, LA 70380

Dear Mr. Thibodeaux:

The following is in response to the findings and questioned costs resulting from the Plaquemines Parish Government 2012 financial and compliance audit:

▪ **Audit Condition (2012-1) – Revenue Recognition:**

Subsequent reviews of requests for reimbursement of expenses under certain federal programs were not performed prior to the recognition of the related revenue resulting in the recognition of revenue in a manner inconsistent with requirements of the Governmental Accounting Standards Board.

Audit Recommendation:

We recommend that the Parish review submitted, but uncollected, and unremitted request for reimbursement prior to recognizing the related revenue in accordance with the modified accrual basis of accounting.

Management's Response:

The requests for and receipt of reimbursement of expenses under federal, state, and local programs vary from grantor to grantor, depending on the requirements dictated by the source of the funding. We realize the importance of proper revenue recognition and as a result of this audit we will make further adjustments in the reimbursement tracking process to insure the issues raised herein are properly addressed and mitigated.

▪ **Audit Condition (2012-2) – Capital Asset Listing:**

Assets were omitted from the Parish's inventory of capital assets.

Audit Recommendation:

We recommend that the Parish design and implement policies and procedures which ensure the completeness of the Parish's inventory of capital assets.

Management's Response:

The assets have been included in the Parish's inventory. We recognize the importance of properly recording assets in a timely manner and as a result of this audit we will make further adjustments in the asset recordation process to insure the issues raised herein are properly addressed and mitigated.

▪ **Audit Condition (2012-3) – Suspension and Debarment:**

Verification procedures for suspension and debarment were not performed for expenditures made to professional service contractors/vendors.

Audit Recommendation:

We recommend that the Parish institute policies and procedures to determine the debarment/suspension status of professional service contractors/vendors.

Management's Response:

The process of bringing grants from the various departments under the umbrella of the Grant Administrator has been ongoing, as has the development of standard procedures to properly handle the varied and multiple grants. We recognize the importance of compliance with grant regulations and as a result of this audit we will make further adjustments to the grant administration processes to insure the issues raised herein are properly addressed and mitigated.

Very truly yours,



William "Billy" Nungesser
Plaquemines Parish President